

# FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

Thursday April 10 1986

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D 8523 B

Insider trading: how the big fish escape, Page 19

Australia	S\$ 2.00	Indonesia	Rp 2,500	Peru	S/ 5.00
Belgium	Bf 45	Italy	L 1,500	S. Arabia	Rb 8.00
Canada	C\$ 1.00	Japan	¥ 100	Singapore	S\$ 4.10
Denmark	Dkr 8.00	Malaysia	RM 500	Taiwan	N\$ 1.50
France	F 6.00	Norway	Nkr 4.00	Thailand	Bt 2.00
Germany	DM 2.20	Philippines	₱ 20	USA	\$ 1.00
Greece	Dr 200	Spain	Ptas 166.67		
Hong Kong	HK\$ 1.00	Sweden	Skr 4.00		
India	₹ 15	Switzerland	Sfr 2.20		
		UK	£ 1.00		

## World news

### Libyan diplomats expelled by Bonn

The West German Government ordered the expulsion of two Libyan diplomats from Bonn for activities "incompatible with their status." The expulsions come five days after a bomb attack on a West Berlin discotheque suspected to have been the work of Libyan-backed terrorists. Page 3

### Election odds rise

An early election in Israel looked increasingly likely following an announcement by the ruling Likud bloc that its cabinet members would all resign if Mr Yitzhak Moda'i, the Finance Minister, was dismissed. Page 20

### Waldheim file

Secret UN War Crimes Commission records on former UN Secretary General Kurt Waldheim were turned over to Austria and Israel. Page 2

### Police 'will resign'

Leading Protestant politician, the Reverend Ian Paisley, predicted mass resignations from the police force in Northern Ireland following a spate of attacks by Protestant mobs on the homes of police officers over the past few days. Page 19

### Wine maker jailed

An Austrian wine producer and merchant was jailed for four years for involvement in manufacturing more than two million litres of artificial wine. Page 2

### Chemical ban call

The EEC expressed concern at a UN finding that Iraq was using chemical weapons in its war against Iran and called for a worldwide treaty to ban chemical warfare. Page 2

### Rescued at sea

The captain of a West German rescue ship said he saved almost 50 Vietnamese refugees as their flimsy boat was about to be attacked by a Thai pirate fleet. Page 2

### Violence warning

Oliver Tambo, leader of the African National Congress, forecast "horrible" levels of violence in South Africa. Page 2

### Papandreou returns

Greek Premier Andreas Papandreou is to cut short his visit to China because of the killing of industrialist Dimitris Angelopoulos in Athens. Page 2

### Grasshopper plague

A plague of grasshoppers threatens to wipe out many of this year's crops in the western Sahel, where inhabitants are only just recovering from the worst famine in living memory, the Food and Agriculture Organisation said. Page 2

### Eastwood elected

The voters of Carmel-by-the-Sea in California elected movie star Clint Eastwood mayor amidst a star of international attention and boards of noisy tourists. Page 6

### Briefly ...

Soviet Nobel-prizewinning economist Leonid Kantorovich died, aged 75. Page 2

## Business summary

### Surprise counterbid for Hiram Walker

THE TAKEOVER battle for Hiram Walker Resources, the Canadian energy and distilling group, took a fresh turn when TransCanada Pipelines, a Toronto gas transmission company, launched a surprise \$2.5bn (£2.5bn) counterbid. Page 20

### WALL STREET: At 2pm the Dow Jones industrial average was 3,841 lower at 1,765.92. Page 42

### TOKYO: Stocks rose on the prospect of a discount rate cut. The Nikkei average gained 96.12 to 15,110.18. Page 42

### LONDON: Early firmness gave way to profit-taking and stocks ended off their days' highs. Gilt followed suit. The FT Ordinary share index slipped 11.8 to 1,576.5 and the FTSE 100 dropped 16.7 to 1,639.0. Page 42

### DOLLAR: was weaker in London, falling to DM 2.354 (DM 2.3375), FF 7.4325 (FF 7.4425), SF 1.931 (SF 1.973) and ¥178.85 (¥180.0). On Bank of England figures the dollar's index fell to 118.5 from 118.7. Page 35

### STERLING: fell 0.5 cents against the dollar in London to \$1.645 and also declined to DM 3.42 (DM 3.435), FF 10.8775 (FF 10.94), SF 2.8575 (SF 2.9025) and ¥264.5 (¥264.5). The pound's exchange rate index fell 0.9 to 75.8. Page 35

### GOLD: fell \$2.00 on the London bullion market to \$336.25 and was \$2.50 lower in Zurich at \$338.25. Page 34

### EC Executive Commission warned the US it would restrict imports of a wide range of US goods if Washington carried out plans to curb imports from the EEC. Page 20

### CRUDE oil reserves in EEC countries will last only to the end of the century, if 1984 production rates are continued, and those of the US will run out in 1993, according to a report from the EEC Statistical Office. Page 2

### OIL: North Sea prices fell in quiet trading amid signs that a recent rally prompted by the strike that has halted all Norwegian output is running out of steam. Commodities, Page 24

### POLISH and Western bankers failed in their latest round of long-running negotiations to reach agreement on rescheduling part of Poland's commercial debt falling due this year. Page 3

### ALBANIA's economy needs an injection of some \$2.5bn to get back on course, Yugoslav economic analysts said. Page 2

### HOCHEST, the West German company, confirmed it plans a dividend increase after raising its worldwide pre-tax profits last year by 10.7 per cent to DM 3.16bn (\$1.37bn). Page 21

### SMITHKLINE Beckman, the US drugs manufacturer, will take a \$5m net charge against first quarter earnings to cover the cost of recalling three of its brands affected by criminal tampering. Page 21

### BOUYGUES, the French construction group, raised its stake in rival Serec to 30 per cent with the exercise of an option to buy shares from Petrofina, the Belgian oil company. The purchase was apparently a defensive move against a counter-offer by Serec from a consortium. Page 2

### HUSKY OIL of Canada has delayed a long-planned scheme to upgrade heavy oil to refinery grade because it is viable the project requires an oil price of US\$25 a barrel - about double the current level. Page 21

### J. P. MORGAN, first of the big US banks to report its results, lifted first-quarter net earnings by 42 per cent to \$238.5m, largely because of higher foreign exchange and securities trading profits. Page 21

### EMAIL, the Australian white goods and buildings products group, secured control of Simpson Holdings, a home appliances rival, with a bid valuing Simpson at A\$53m (\$18.67m). Page 21

### WE REGRET that North American prices were not available for this edition due to computer problems.

## Mitterrand forces delay in sale of some state groups

# Chirac stresses shift towards free market

BY DAVID HOUSEGO IN PARIS

foreign exchange control on corporate transactions would be rapid but that the lifting of price controls would be "progressive." In the services sector, the removal of price controls will depend on the bringing in of a new competition law expected in about six months.

Mr Chirac implied yesterday that the removal of foreign exchange controls would be accompanied by a tax amnesty to encourage French residents to bring home capital held abroad illegally.

Apart from privatisation and the abolition of price controls, the economic decrees will cover provisions for more part-time and temporary working, for further industry training schemes for the young and for a cut in companies' social security contributions to encourage them to take on more young workers. But President Mitterrand has refused a key element of the right's programme for greater labour market flexibility by refusing to sign a decree that would allow companies to hire their workforces more easily through redundancies.

Also provided for in yesterday's enabling legislation is long-overlooked Gaullist programme to encourage more worker shareholding in industry.

In political terms, the immediate goal of Mr Chirac is that the stimulus given to investment and exports through the devaluation, and the

large financial holding groups (Paribas and Suez) and nine industrial groups will be placed in private hands.

Not included in the list of companies to be sold are Renault, the motor vehicle manufacturer, and the two state-owned steel groups, Sidor and Usinor, because of the size of their losses.

After the law has been approved sometime next month, the Government will have six months to prepare the decrees. But the law will allow new heads of nationalised groups to be appointed from early June - if this does not run into further objections from Mr Mitterrand, as is still possible.

In the economic section of his policy statement, Mr Chirac said the Government intended to seek lower inflation through a tight monetary policy, a sharp reduction in public expenditure and public sector deficits, and a continuing de-indexation of salaries.

At the same time he said new dynamism needed to be injected into the economy by giving companies more freedom to manage their affairs. He placed the lifting of price and exchange controls and more leeway for companies to offer part-time and temporary jobs in this context.

Mr Alain Juppe, the Government spokesman and Minister for the budget, said that the abolition of

## G10 ministers seek extended role for IMF

BY PHILIP STEPHENS AND STEWART FLEMING IN WASHINGTON

FINANCE MINISTERS from the main industrial countries have pledged to strengthen the international co-ordination of economic policies and are holding out the prospect of a further reduction in interest rates as inflation continues.

At talks during the bi-annual meeting of the International Monetary Fund's Interim Committee ministers of the Group of 10 industrial nations agreed to press ahead with plans to give the IMF an enhanced role in extending economic policy co-operation.

In separate talks between ministers and central bankers of the Group of Five nations - the US, Japan, West Germany, France and Britain - Japan and the US appeared to signal that they saw the potential for a new round of interest rate cuts.

The timing of any such reductions, however, remained uncertain amid disagreements between the Five on some of the immediate priorities needed to sustain the present world recovery.

The US is pressing Japan and West Germany, in particular, to step up the pace of their domestic growth, while the Bonn Government indicated that it remained cautious about another early lowering of interest rates.

Japan also faced pressure from European Governments to allow a further appreciation of the yen's

## Warning on oil prices by US bank regulators

BY NANCY DUNNE IN WASHINGTON

US BANKING regulators yesterday urged Congress to pass legislation allowing for interstate acquisition of failing banks while warning that the problems of US energy banks will grow worse if oil prices remain at current levels for an extended period of time.

Testifying before a House Banking Subcommittee yesterday, Mr L. William Seidman, chairman of the Federal Deposit Insurance Corporation, warned that the volume of problem energy loans is expected to "expand dramatically."

While most of the energy loans, about \$77bn worth, are held in the portfolios of large banks with assets of \$1bn or more, there will be "a spillover of loan problems" to many of the nation's smaller banks, he said.

In the affected states - Texas, Oklahoma and Louisiana - "unemployment has swelled, real estate prices

## KLM to buy six 747-400s

By Lynton McLain in London

KLM, Royal Dutch Airlines, has become the first airline in Europe to order the Boeing 747-400, the world's largest and longest-range airliner. It can fly non-stop 8,000 miles and can seat up to 509 passengers.

Boeing gave the aircraft the go-ahead in October and has won orders for 30 of the new airliners, worth \$191m each.

KLM has ordered six of the advanced technology airliners, worth a total of more than £1.9bn (\$722m) for delivery in 1989/90. This is the largest single order placed by the Dutch national airline and comes on top of orders for 14 airliners from Singapore Airlines, worth \$3.3bn, and from Northwest Airlines.

## Pressure mounts for cut in US, UK rates

BY GEORGE GRAHAM IN LONDON

LONDON'S money markets continued to press yesterday for lower UK interest rates, braked only slightly by the announcement of faster-than-expected growth in Britain's money supply. British banks on Tuesday cut their base lending rates by 1/2 percentage point to 11 per cent.

In the US bond and credit markets followed up the previous day's strength with further gains in early trading yesterday as investors anticipated an imminent cut in the Federal Reserve Board's discount rate.

The Belgian National Bank, meanwhile, cut its bank rate by another 1/2 percentage point yesterday to 8 1/2 per cent, making a total reduction of 1 point since the European Monetary System realignment last weekend.

In Britain the Bank of England said that sterling M3, the broad monetary measure, had grown by about 2 1/2 per cent in the March banking month, a rise of 1 per cent over the previous month. Financial markets had expected a rise of only about 1 1/2 per cent. The year-on-year increase was 18 1/2 per cent, outside the target range of 11 to 15 per cent outlined in the British budget three weeks ago.

Rapid growth in the UK money supply has in the past often been badly received in the money markets. Yesterday, however, the announcement caused only a brief reaction before three-month interest rates pushed down to 10 1/2 per cent, already well below the 11 per cent to which British banks cut their base rates on Tuesday.

## GEC buys Westland shares

BY LIONEL BARBER AND PETER RIDDELL IN LONDON

BRITAIN'S General Electric Company, a member of the losing European consortium in the battle to rescue Westland, has bought a substantial block of shares, believed to be about 6.25 per cent, in the UK helicopter company.

The shares were sold at a loss by Mr Alan Bristow, the former helicopter operator who claims he was offered a knighthood and a quick profit of £2.25m (about \$3.3m) if he changed sides at the height of the battle. Mr Bristow had opposed the eventually successful rescue of Westland by Fiat of Italy and Sikorsky of the US.

GEC confirmed last night that it had bought just over 5m Westland shares from Mr Bristow at a price of around 80p, paying about £4m.

Mr Bristow paid £1m for a 7 per cent block on January 9 and offered higher prices in the following weeks in an effort to block the Sikorsky-Fiat rescue plan.

Mr Bristow may now hold about 7 per cent of Westland or less if he did not take up his rights under the

used to answer certain questions put to him. It had now received a copy of a letter (believed to have been sent to the Speaker of the Commons) in which Mr Bristow answers questions. It would produce a special report accordingly.

In a separate development, Westland said yesterday that United Technologies (UTC), the US conglomerate and parent of Sikorsky, and Fiat had nominated two directors to its board.

Fiat has nominated Mr Gian Carlo Boiffa, managing director of Fiat Aviazione and chairman of Turbomeca, the Anglo-German-Italian aero-engine company.

UTC has nominated Sir Peter Carey, a former permanent secretary at Britain's Department of Trade and Industry from 1978-1983 and an executive director of Morgan Grenfell Holdings, the holding company for the British merchant bank. Morgan advised Sikorsky during the bitterly contested Westland battle.

Mr Bristow has now given answers to questions from the cross party Commons Trade and Industry Committee about the allegations.

The committee said yesterday that Mr Bristow had originally re-

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EUROPEAN NEWS

EEC report spells out limits of crude oil reserves

BY MAGGIE FORD IN BRUSSELS

CRUDE OIL reserves in EEC countries will last only to the end of the century if 1984 production rates are continued, according to a report from the EEC Statistical Office.

In contrast, the reserves of Saudi Arabia would last for 98 years, followed by those of Iran (83 years), Libya (63 years) and Mexico (45 years). Those of the Soviet Union are expected to run out towards the end of the 1990s.

Production of crude oil in the 10 EEC countries, excluding Spain and Portugal increased from 11.2m tonnes in 1975 to 137.3m tonnes in 1984 and was accompanied by a reduction in imports from 490m tonnes in 1975 to 26m tonnes in 1984.

European natural gas reserves are likely to last for 21 years at 1984 rates of production, those of the US for 12 years and the Soviet Union for 64 years. In 1984 EEC countries were able to supply 97 per cent of their natural gas needs, importing the rest from Norway, the Soviet Union and Algeria.

Coal resources in the Community put it at an advantage compared with other countries, the Statistical Office says. At 1984 rates of production, 675 years' worth of reserves remain, putting Europe ahead of Australia (336 years), South Africa (317 years) and the Soviet Union (308 years).

Waldheim denies claims by Jewish leader

DR KURT WALDHEIM, in a newspaper interview yesterday, sharply denied he intended to give up his campaign for the presidency, AP reports from Vienna. The party supporting him rejected a Jewish leader's claim that Dr Waldheim knew thousands of Jews were being sent to extermination camps from the region where he served in the Second World War.

Quoted in the West German newspaper, Bild, Dr Waldheim repeated denials that he was ever a Nazi and said he had been beaten as a youth for distributing anti-Nazi leaflets.

For more than a month, Dr Waldheim has been battling allegations by the World Jewish Congress that he belonged to Nazi-affiliated groups before the war and that he was involved in or knew of atrocities committed by his wartime unit in the Balkans.

Mr Michael Graff, general secretary of the People's Party, called allegations by Dr Israel Singer in London "dishonourable and slanderous." Dr Singer is general secretary of the Congress.

Mr Graff called on Congress president Edgar Bronfmann to stop further "defamations" by Dr Singer. The latter told reporters that a German army document obtained from US archives showed that the army unit Dr Waldheim served with in Greece had been told of the mass deportation of Jews.

Dr Waldheim, who served two terms as UN Secretary General, has acknowledged serving with the German army in the Balkans as a translator, but has denied any links with Adolf Hitler's Nazi organisations or their crimes.

He has also denied knowledge of the deportations of 48,000 Jews from Salonika, in Greece, near where he was stationed.

Dr Waldheim is running against Socialist-supported candidate Kurt Steyrer in the May 4 election, and has said the allegations were outside inter-service disputes to ruin his chances. Asked if he planned to step out of the race, he replied: "No! I will not do them that favour," Bild reported. "We are a sovereign country."

W. Berlin security to be tightened

By Leslie Collett in Berlin

THE THREE Western allies in West Berlin yesterday decided on "exceptional measures" to protect their armed forces and diplomatic personnel from terrorist attacks, following last Saturday's bombing of a discotheque frequented by US soldiers.

Allied officials said the measures included a big increase in the control by the West Berlin authorities of people entering West Berlin from East Berlin and East Germany.

The East German Foreign Ministry strongly rejected attempts to connect East Germany with last week's "criminal act," which East Germany regarded with "disgust and indignation."

The statement was issued after Mr Richard Burt, the US Ambassador to West Germany, strongly suggested that the terrorist who planted the bomb had entered West Berlin from the East.

Until now people have been able to enter West Berlin uncontrolled from East Berlin through the many stations linking the city by the underground and the urban railway.

Allied officials noted that the problem in controlling these stations was not to violate West Berlin's open border status which allows East Europeans to enter the city without visas.

West Berlin Customs officials will apparently also begin to control people entering the city at the sector crossing points, including Checkpoint Charlie.

Police patrols have been increased in the vicinity of US, British and French military installations.

The East German statement said acts of "individual terror" only served to give aggressive "imperialist circles" a pretext to discredit revolutionary movements.

This was a direct allusion to Libya, which has been accused of involvement by the US.

Petrol price reduced in Portugal

By Diana Smith in Lisbon

PORTUGAL'S minority Social Democrat Government is lowering the price of petrol by Es 3 (10p) a litre. Petrol will now cost Es 112 (E2) a gallon, one of Europe's highest rates while wage levels are Europe's lowest.

Despite the windfall of plummeting oil prices for a country that has to import about 8.5m tonnes of oil a year, the Government of Prof Anibal Cavaco Silva has resisted price cuts until now. Nearly 60 per cent of the price of petrol consists of excise and other forms of value added tax.

The cut has been made under pressure from the opposition which was bent on making the Government pass on the windfall to the population. Some members even argued for petrol and other oil derivative price cuts of more than 15 per cent.

The Government has also announced a 1.5 cut in interest rates. This brings interest on 181,305 day transactions—the main range in Portuguese banking to 21 per cent. With inflation of 12 per cent, the real interest rate of 9 per cent is still punitive for small businesses which had hoped for a larger cut.

The Prime Minister, expressing strong displeasure with budget and oil price changes introduced by the opposition, implied that it was the opposition's fault if the interest rate cut was modest. Controls would continue on the volume of credit this year to keep inflation within bounds.

He also blamed the opposition's bid to reduce petrol for his decision to cut Es 17bn (E75m) from the budget.

Swiss prices rise 0.1%

By William Duffin in Geneva

SWISS CONSUMER prices increased by only 0.1 per cent in March, bringing the annual inflation rate down to 0.9 per cent, the Federal Office for Industry announced.

The principal factor limiting the rise in the index in March was a 5.2 per cent fall in the price of petrol which offset small increases in the cost of housing, clothing, and food. The petrol price fell by 18 per cent over the year to the end of March.

FINANCIAL TIMES

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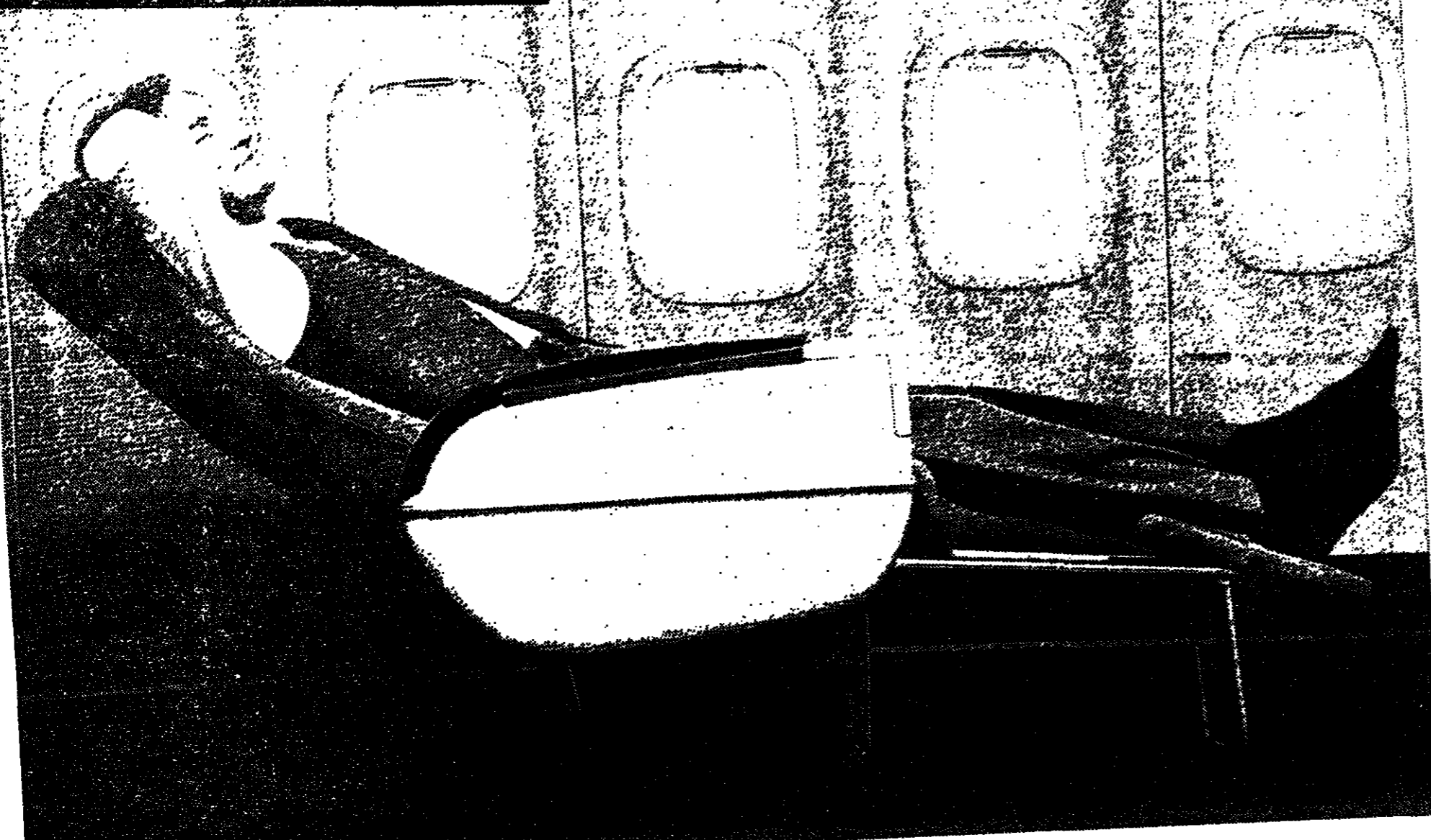
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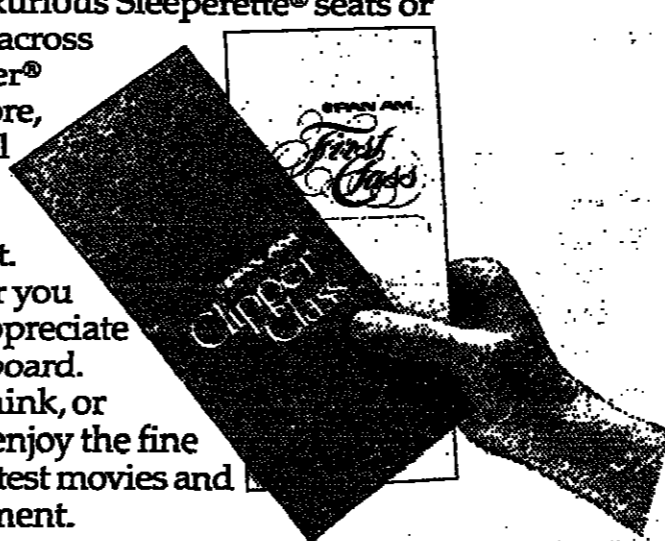
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EUROPEAN NEWS

MITTERRAND LIMITS WILLINGNESS TO SIGN DECREES

French privatisation plans suffer setback

BY PAUL BETTS AND DAVID MARSH IN PARIS

THE FRENCH right-wing Government's sweeping privatisation plans received a setback yesterday. President Francois Mitterrand made it clear that he would not sign the necessary decrees enabling accelerated denationalisation of the country's biggest banks and insurance groups as well as some of France's key state-sector industrial concerns.



Chirac: delayed.

He stated at yesterday's cabinet meeting that he was opposed to the use of decrees for the privatisation of state sector groups nationalised before 1982. He has thus forced the Government to revert to the normal and more cumbersome parliamentary procedure to push through its plans to privatise the country's three largest banks and insurance companies as well as Elf Aquitaine, France's largest enterprise.

The right had envisaged starting with the big three state insurance companies — UAP, AGF and GAN whose combined market value is currently put as high as FFf 44bn (E4bn) — although the three big banks nationalised in 1945 would anyway have been privatised later.

However, Mr Mitterrand's obstruction, the Government can still go ahead with its privatisation programme which could result over the next five years in selling back to the private sector industrial, banking and other financial assets worth FFf 150bn-FFf 200bn, if not more.

President Mitterrand also made clear he would only sign decrees on denationalisation which evaluated companies and banks on a comparable financial basis to that drawn up when the left nationalised a large portion of French banks and industry in 1982. This gave generous terms to shareholders.

of private investors. The Government also intends to sell its controlling stakes in other enterprises like Matra, Dassault, the CGCT telephone group, and the CCF financial group. The Havas advertising and media group, too, is a leading candidate for privatisation, as is Sofrad, the state holding company which owns majority stakes in French broadcasting groups.

Mr Alain Juppe, the Budget Minister and the new Government's official spokesman, said after yesterday's cabinet meeting that new administrators could be named to these leading industrial and banking groups after the enabling privatisation law was passed, possibly by early June.

The new administrator will have the task of assembling new supervisory boards for the large industrial and banking groups. In some cases, the existing chairmen of the state groups could be kept on as the new administrators

Table with 4 columns: ENTERPRISES TO BE DENATIONALISED, Profits, Net assets, Market value estimates (1985). Rows include BANKS (BNP, Societe Generale, Credit Lyonnais), OTHER BANKS (CCF, Credit du Nord), INSURANCE COMPANIES (UAP, GAN, AGF), MAIN INDUSTRIAL COMPANIES (CCE, Saint-Gobain, Pechiney, Rhone-Poulenc, Thomson), and FINANCIAL HOLDING COMPANIES (Paribas, Suez).

Bonn Government expels two Libyan diplomats

BY RUPERT CORNWELL IN BONN

THE WEST GERMAN Government yesterday ordered the expulsion of two Libyan diplomats working at the people's bureau (embassy) here, just five days after the bomb attack on a West Berlin discotheque. The attack is suspected to have been the work of Libyan-backed terrorists.

A Foreign Ministry spokesman said the two are being ordered out for activities "not in keeping with normal diplomatic behaviour." He emphasised, however, that investigation had so far turned up no evidence directly linking them with the bombing, which killed two people, one of them a US soldier, and injured 230.

Bonn maintains that it took the action on its own initiative and that the diplomats had been under surveillance for some while. None the less, the timing of the expulsions suggests that they are, to some degree at least, in response to intense pressure for reprisals from Washington, which claims to have evidence that Colonel Muammar Gaddafi's regime was behind the Berlin attack.

Although the West German authorities have discovered some pointers that the Libyan people's bureau in East Berlin — accredited to East Germany — was involved with planning the bombing, the Government spokesman declared that they had "no concrete proof" as yet of who was responsible.

While Bonn is believed to have asked privately for some Libyan diplomats to leave the country after the murder of an

opponent of Col Gaddafi in Bonn in April 1985, yesterday is the first time that such a step has been publicly announced.

The two men are understood to have been at the embassy here for some years. Although their official responsibilities are listed as "administrative affairs," both are believed to be operatives of the Libyan secret services.

West German and US security forces are working closely to try to identify those who carried out the Berlin attack, and the US charge d'affaires was immediately informed of the expulsions. Chancellor Helmut Kohl promised at yesterday's weekly cabinet meeting that Bonn would not permit "our American friends to be bombed or terrorised out of the country."

West Germany remains opposed, at least for the time being, to imposing economic sanctions against Libya. But the authorities, plainly afraid that other terrorist attacks against targets in West Germany are planned, are stepping up security measures at airports and surveillance of suspicious foreign nationals.

In West Berlin, the tripartite allied commandatura for the city announced "extraordinary" security measures which will be applied in collaboration with the local authorities. Controls are being intensified at all border crossing points from East Germany and East Berlin.

A Foreign Ministry spokesman in East Berlin yesterday

rejected any suggestion that his country was involved.

Reginald Dale, US Editor, adds from Washington: Washington will welcome the West German action as providing further proof of its contention that Libya is actively engaged in terrorist attacks. In recent days, the US has been urging Western European governments to expel Libyan diplomats and officials suspected of involvement in terrorism.

The stronger the evidence becomes that Libya was behind the Berlin bombing, the more likely it will be that President Ronald Reagan will order military retaliation. The CBS TV network is reporting that the Administration has already reached a consensus in favour of a tough new strike against Libya, the only remaining questions being how and when.

Options include bombing coastal targets such as the missile battery at Sirte already attacked by US forces last month, a submarine base, other port facilities and artillery positions. Strikes on terrorist training camps inland are also under consideration, but would probably mean the loss of US pilots and aircraft, according to CBS.

Mr Robert Dole, the Senate Republican majority leader, says that he believes that Congress would support new military action against Libya. If Col Gaddafi continues to spawn and export terrorism, "then we should deal with it, and in my view, the sooner the better," he says.

Tougher law and order measures promised

BY PAUL BETTS

MR JACQUES CHIRAC, the French Prime Minister, devoted a significant part of his state-of-the-art speech yesterday on new measures to combat terrorism and crime.

After the latest wave of terrorist attacks in Paris soon after the right's election victory last month, Mr Chirac made it clear that law and order would be one of the new government's top priorities. In the National Assembly yesterday he said the Government would propose a new article on crimes of terrorism in the French penal code and a 30-year prison sentence which could not be reduced.

Taking the model of recent Italian anti-terrorist legislation, Mr Chirac also proposed reduced sentences for terrorists who decide to collaborate with the police. This measure is designed to encourage suspects to disclose information to the security authorities and help police to pre-empt and dismantle terrorist organisations.

Tougher measures will also be put to Parliament to compel foreigners who do not have proper papers. Mr Chirac added that he would establish a special internal security council pre-

sided over by himself to co-ordinate the fight against crime and terrorism.

Among other steps to help the police in their efforts to tackle the complex law and order problem, the Government intends to increase to four days the period police may hold suspects in custody without charge. The organisation of the French national police is also to be altered.

Mr Chirac was under political and public pressure to act quickly and decisively on the law and order issue, after the latest terrorist attacks in France. During the election it became one of the key issues and was one of the principal reasons for the success of the extreme right National Front, which gained nearly 10 per cent of the national vote.

However, the Prime Minister has also had to tread a delicate path on the matter, especially after President Francois Mitterrand made it clear that he would oppose any attempt by the new government to make significant modifications to some of the key social and judicial reforms introduced by the previous left-wing administration.

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German states ready to sign cultural pact

By Rupert Cornwell in Bonn

AFTER 13 years of fitful and sometimes thorny negotiations, West and East Germany are at last ready to sign a wide-ranging cultural agreement — further proof of the steady normalisation of relations between the two German states.

The draft agreement, which covers co-operation in the arts as well as academic and student exchanges between Bonn and East Berlin, has already been endorsed by individual West German states.

Yesterday it was formally approved by the cabinet here, a step which paves the way for its signature in East Berlin by senior representatives of both states in May. The Bonn Government dismissed speculation that the signature would take place in West Germany during a visit here by Mr Erich Honecker, which might, according to some reports, finally take place next month.

Polish debt talks to resume in London

By Christopher Robinson in Warsaw

DEBT rescheduling talks between Poland and Western bankers failed to reach a conclusion in Warsaw yesterday. They will resume in London in three weeks.

The talks centre on rescheduling \$600m (£244m) of capital which Poland is due to repay to some 800 Western commercial banks this year. The banks have offered to delay payment of three-quarters of this amount, while the Poles have been asking to reschedule the greater share.

"We understand each other much better now," said Mr Gabriel Eichler, from the Bank of America, who is one of the leaders of the small negotiating group representing the banks to whom Poland owes some \$7bn.

The banks are refusing to advance Poland new credits

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OVERSEAS NEWS

Bhutto flies back to stake her claim

BY JOHN ELLIOTT IN LAHORE

MISS Benazir Bhutto is due to arrive in the north eastern Pakistan city of Lahore this morning to stake her claim to be the country's most important political opposition leader and to inherit the mantle of her father, the late Prime Minister Zulfikar Ali Bhutto at the head of the Pakistan People's Party. Miss Bhutto left London yesterday where she had been in self-imposed exile for two years co-ordinating opposition to General Zia-ul-Haq's regime. She is expected to be greeted by huge crowds of curious bystanders as well as political activists and will immediately mount a challenge to the Government of President Zia-ul-Haq.



Benazir Bhutto

Starting this afternoon she is due to hold a series of mass meetings around the country to try to establish herself as a political leader, to unify the country's divided opposition behind her, and to challenge the Government to hold elec-

tions before the due date of 1988. The poignancy of the occasion will be sharpened by memories of the assassination in the Philippines two years ago of Mr Benigno Aquino, the opposi-

tion leader, when he returned from exile, and the subsequent recent downfall of President Marcos.

Miss Bhutto, who has recently visited the US and the Soviet Union, has claimed there are plots to assassinate her. There are many groups and individuals in Pakistan who would prefer Miss Bhutto out of active political circulation. They include rival opposition figures as well as members of Prime Minister Mohammad Khan Junejo's Government and army officers in the military regime which ran the country for eight years until last December 30.

Lahore has been chosen for Miss Bhutto's arrival rather than her home territory of Karachi in the southern province of Sind because it is in the heart of the army-dominated pro-Government Punjab where she needs to establish her credentials. But Lahore is also traditionally a centre for lawyers, intellectuals and other political ac-

tivists and will therefore give her a rapturous welcome.

The Government appears to have decided to leave Miss Bhutto free to mount her campaign. But there will be strong pressures for her to be arrested if she appears to be rousing too much of a political tide.

The Government hopes that the curiosity aroused by her presence in the country after her five years of house arrest in Karachi and exile abroad will gradually ebb away and that she will then be dragged down by fractious fighting within her own party.

Mr Junejo came to Lahore at the weekend and told a crowd of 50,000 that cooking oil prices were to be cut and squatters given special rights. This attempt to build a popular political support before Miss Bhutto's arrival is based on a relatively strong economy with a record cotton crop and a new \$4bn package of economic and defence aid from the US.

Yen's rate satisfactory says Japan bank chief

By Nicholas Colchester in Tokyo

THE present Japanese exchange rate of around 1200 to the dollar was described yesterday as "satisfactory" by Mr Takeshi Ohta, executive director of the Bank of Japan.

But the central banker said in an interview that Japan needed a breathing space to adapt to the yen's recent 35 per cent revaluation against the dollar. Some medium-sized and small companies were "really crying" at the current rate, said Mr Ohta. "This is the inevitable cost of our adjustment. We have to ask for sacrifices from some sectors of industry." He mentioned aluminium, textiles and the china industries as examples.

Looking further ahead, Mr Ohta insisted that the Bank of Japan had no target for the exchange rate: "If our economic fundamentals remain strong, with a large balance of payments surplus, the exchange rate will be forced to continue to appreciate."

The Bank of Japan's prescription for the exchange rate system was not said to return to free rates or to target zones but further to strengthen the process of surveillance, economic co-operation and co-ordination that had been re-established at the Group of Five meeting last September.

The US's sudden change of attitude towards intervention had, he said, restored the flexibility lost during the period of influence of Mr Donald Regan and Mr Beryl Sprinkel in the US Treasury. While this "laissez-faire" period had lasted, he said, the Bank of Japan had discovered through costly and fruitless intervention that it was powerless to tackle the undervaluation of the Japanese currency. It had been followed by timely and co-ordinated action by the major currency governments - what Mr Ohta characterised as a "heavenly moment with earthly advantage and human harmony."

Johannesburg hit by bomb blast as guerrillas held

BY ANTHONY ROBINSON IN JOHANNESBURG

A BLACK man was torn in half and four others injured by a bomb which exploded in a public toilet near a suburban Johannesburg railway station yesterday, the latest in a series of bomb blasts over the last few months.

Police are investigating the possibility that the victim was placing the bomb when it exploded.

Meanwhile, Mr Louis Nel, the deputy minister of information, yesterday disclosed that the police had arrested two Pan Africanist Congress (PAC) guerrillas over the Easter weekend and charged that the two men were part of a group of PAC cadres who had been trained in Libya and had been sent to South Africa to assassinate prominent black leaders.

Mr Nel said that although he knew the names of some of the black leaders on the hit-list he could not disclose them. The latest violent incidents took place against a background of rising tension in the Eastern Cape where a new black consumer boycott of white and Indian owned shops began in the Port Elizabeth area this week.

Mrs Helen Suzman, the veteran white opposition Progressive Federal Party (PFP) politician who for years has defied Left-wing and radical orthodoxy by campaigning

strongly against disinvestment and sanctions yesterday warned in parliament that she would "stop beating her head against a brick wall" unless the Government made "really positive steps to dismantle apartheid."

Speaking in the budget debate in parliament Mrs Suzman said that while she had not changed her opposition to sanctions and disinvestment she would no longer go on fighting for a lost cause unless the National Party wakes up from the "dream world" it inhabited.

'Horriying violence' likely

MR OLIVER TAMBO, leader of the banned African National Congress, yesterday predicted "horriying levels of violence before we see an end to the apartheid system" in South Africa, writes Our Foreign Staff.

Mr Tambo, who is in Bonn as a guest of the opposition Social Democratic Party (SPD), told reporters that a government "which must kill every day of stay in power" was no longer in control.

"This conflict is going to escalate and it will embroil many people," he said. "We have no choice but to fight with everything we can." Mr Tambo has held three days talks with church groups, trade unions and SPD leaders, who pledged their support for the ANC.

He criticised a European Community code of conduct for companies employing black labour in South Africa, saying it was ineffective, ignored by most companies and designed only to allow industry to avoid having to exert pressure for reform.

Meanwhile, in Luanda, leaders of South Africa's black ruled neighbours, the so-called Front Line states, have criticised US support of Angolan rebels and again rejected a proposal for the withdrawal of an estimated 30,000 Cuban troops from Angola.

A communique, issued by the six nations after a one-day summit in the Angolan capital, accused the US of "forfeiting its role as an honest broker in talks on independence for Namibia by backing Dr Jonas Savimbi's Unita rebels."

N. Zealand to seek talks with France

A New Zealand Cabinet minister is to try to have direct talks with the French Government on the growing dispute over the continued imprisonment in New Zealand of two French Secret Service agents, writes Dal Hayward from Wellington.

Mr Richard Prebble, Minister of Transport and Aviation, who will be in Paris next week for the annual OECD ministerial meeting, will attempt to meet a senior member of the French Government.

Diplomatic overtures have been ignored by Paris since the recent French elections, and New Zealand Prime Minister David Lange is anxious that change to explain its position directly to the new French Government.

There have been increasing French threats to act against New Zealand trade if the two agents, sentenced to 10 years in jail for their part in the bombing of the Greenpeace vessel Rainbow Warrior, are not released.

Australia rejects SDI US Defence Secretary Caspar Weinberger was last night flying to Australia where he was expected to receive only lukewarm support for his Government's Strategic Defence Initiative, AP reports from Canberra. Before Mr Weinberger's arrival from Thailand, Mr Kim Beazley, Australian Defence Secretary, ruled out an official role for Australia in the project. He did not, however, close the door to initiatives from private companies.

China space shuttle China hopes to develop a space shuttle as part of its space programme, reports Robert Thomson in Peking. Tu Shou, deputy director of the Astronautics Ministry's scientific and technological committee, said "the next item on the Ministry's agenda is to launch a space station and shuttle," though he conceded that a detailed plan has yet to be finalised.

Cairo security cleared Security measures at Cairo International Airport, the starting point of the TWA jetliner bombed last week, are sufficient to meet international safety standards, the International Air Transport Association (Iata) said, AP reports from Geneva.

Mohammed Aftab examines Washington's new aid package for Pakistan Meddling in economic policy feared

PAKISTAN'S latest economic and military aid package, agreed with the US, is facing considerable criticism in the country, although Mr Mohammed Khan Junejo's government considers it quite an achievement to have squeezed out a deal worth \$4.02bn.

Its critics have both political and economic grounds for assailing it. As part of the six-year agreement, Pakistan has, of course, pledged to keep its nuclear programme confined to peaceful uses and is committed to halting production of heroin and the smuggling of the drug into Europe and the US.

The provision that has attracted the criticism, however, is the one which lays down that senior US and Pakistani officials will annually "review utilisation of the economic assistance programme, progress towards economic policy objectives and progress in Pakistan's military modernisation programme."

Mr Junejo's opponents fear the mechanism of "review" will be used to enforce conditions and IMF/World Bank-type interference in economic policy and defence matters. Some of the early US advice may lead to substantial increases in energy prices, the end of food and fertiliser sub-

sidies, tax reform and higher charges for utilities.

These are hardly the kind of steps Mr Junejo's still fragile civilian government can take in a country where the opposition is asking him and President Zia-ul-Haq to step down and face new elections.

The Pakistan government last year was toying with the idea that it would be able to secure \$6.5bn in a new deal, but Washington, beset with its own budgetary problems, declined to incur that kind of liability.

Beginning in October 1987, the accord will replace a \$3.2bn programme which expires the previous month. The present deal includes \$1.8bn in foreign military sales credits (FMS) and the balance as economic assistance. The aid was intended to bolster Pakistan's armed forces and the economy following the 1979 Soviet invasion of Afghanistan. More than 115,000 Soviet troops are still fighting Islamic guerrillas across the border.

The new programme will include \$2.2bn in economic assistance, \$1.8bn of it in grant form, while \$400m is to be set aside to enable Pakistan to buy commodities. During the first 10 years of the 30-year repayment period, interest on the loan is

to be 2 per cent, rising to 3 per cent over the final 20 years.

The foreign military sales element of the new arrangement totals \$1.7bn. This loan has a five-year grace period and is repayable over seven years at 5 per cent interest.

Pakistan has not disclosed its shopping list for weapons to be bought over the next six years, but it is known to require tanks and missiles. The first deal mainly financed the purchase of 40 F-16 fighter bombers and weapons for ground troops.

Mr Mohammed Yasin Wattoo, the Finance Minister, says that the new arrangement has not only larger aid allocations but is on much softer terms than the existing one.

In the present package, out of \$1.6bn, \$1.3bn was economic assistance, two-thirds of which was in grant form. The commodities purchase element was only \$350m. The new deal's \$2.2bn in economic assistance is on softer terms.

"Under the prevailing circumstances, there could not have been a more favourable package for Pakistan," says Mr Wattoo, who took up his new portfolio in January.

The understanding on the overall amount was reached in talks in Islamabad two weeks ago between Mr Wattoo and Mr

William Schneider, US Under-Secretary of State for Security Assistance, Science and Technology.

The agreement, still subject to Congressional approval, provides for Washington to support Islamabad's "economic policy reforms to improve domestic resource mobilisation, stimulate private sector investment and increase the overall efficiency of the economy."

The strongest point favouring the deal is the concessional interest rate of 5 per cent on the \$1.7bn for weapons purchases. Under the existing arrangement, market-related interest rates, which were then 11 per cent or more were required. When the rates fell substantially, Islamabad insisted on paying the full market rates in order to safeguard its non-aligned status and exclude any conditionality on weapons sales.

The burden, while politically hailed, is proving economically unbearable, posing serious repayment problems and strains on the balance of payments now that the \$1.6bn FMS have to be serviced.

Mr Junejo's opponents are now asking whether, by accepting concessional credits for weapons, he has abandoned the non-aligned posture.

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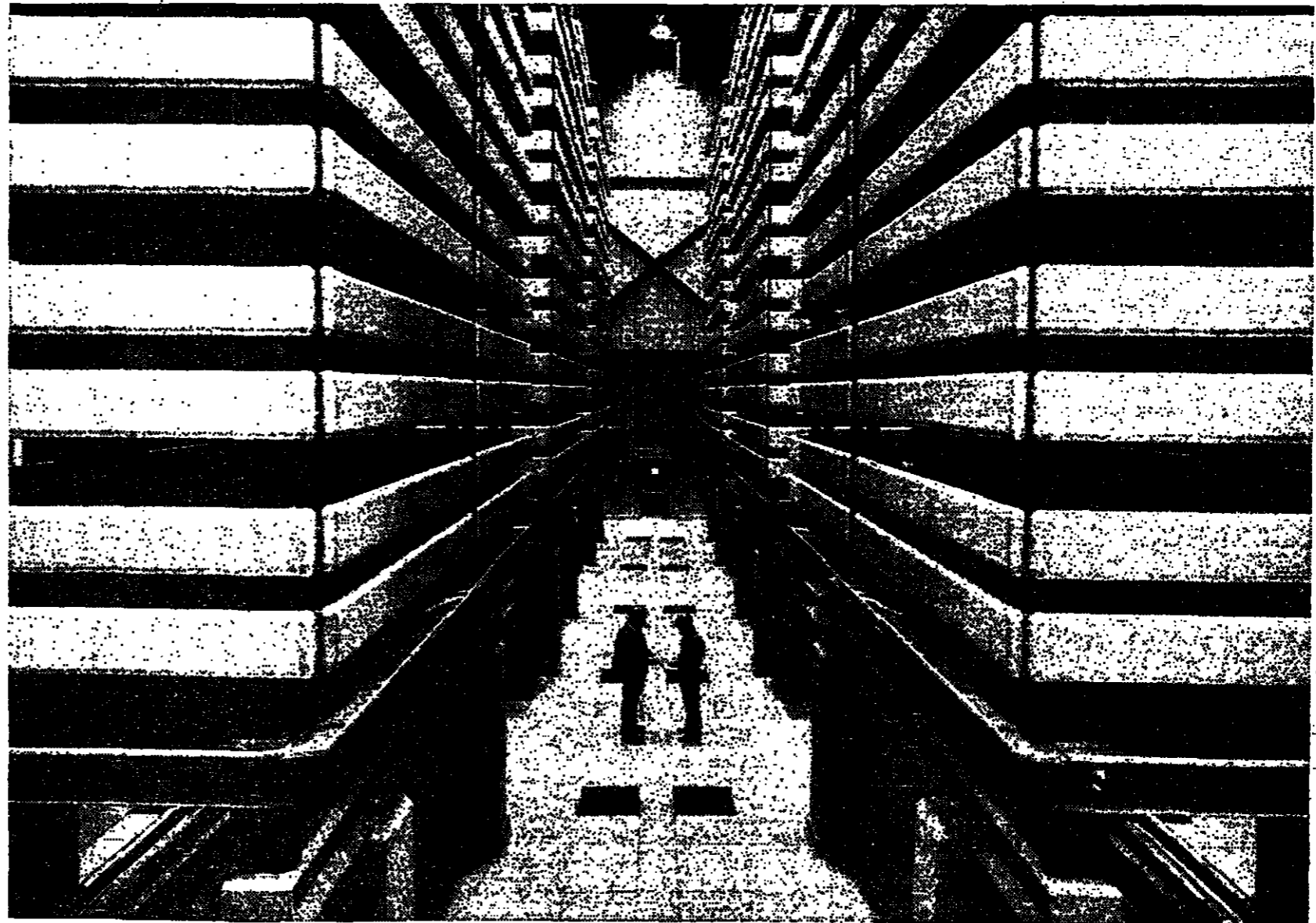
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AMERICAN NEWS

# Lobbyists step up pressure over gun law

BY REGINALD DALE, US EDITOR IN WASHINGTON

AN UNUSUAL, and inexperienced, group of lobbyists has been patrolling the corridors and committee rooms up Capitol Hill for the past few days button-holing anyone who is prepared to listen. They are police in uniform, widows and victims of armed violence, the most prominent of whom is Mrs Sarah Brady. Mrs Brady is the wife of Mr James Brady, the White House Press Secretary, who was shot in the head in the assassination attempt on President Ronald Reagan in March 1981, and is now slowly winning a courageous struggle to recover. In an emotional campaign nearing its climax yesterday, Mrs Brady and her allies have been pleading with members of the Democrat-controlled House of Representatives not to vote for a Bill that would seriously weaken the 1968 Gun Control Act, passed at a time of national outrage over the assassinations of Bobby Kennedy and Martin Luther King. The House, which was expected to vote late last night, has two Bills before it, both of which would relax the 1968 firearms restrictions. But one of them goes much further than the other in making life easier for the totters of handguns, and that is the one that the police and Mrs Brady are so bitterly opposing. That Bill, sponsored by Mr Harold Volkmer, a hardline

Missouri Democrat, would end the current bans on interstate gun sales (the sale of a gun to someone from another state) and on carrying any kind of gun across state lines. It would ease many record-keeping requirements on gun merchants and reduce penalties for infringements. Its opponents call it "cop killer" legislation, which would make buying a handgun as easy as walking into a store and choosing a shirt off the rack. It is, however, supported by the mighty National Rifle Association (NRA), the pro-gun lobby considered to be one of the country's most powerful and wealthy pressure groups. The alternative Bill, backed by the House Judiciary Committee, would also ease restrictions on interstate sales and transport, but only for "long guns," rifles and shotguns—supposedly only used by law-abiding private citizens for hunting and target practice. The NRA points out that the Bill it favours includes tougher penalties for crimes committed with guns, and says that it would "refocus the law enforcement effort away from honest citizens and toward violent criminals." As similar legislation has already passed the Senate, the police and the widows are effectively making their last stand in the house.

# Mexico inflation rate up by 4.6% in March

BY DAVID GARDNER IN MEXICO CITY

MEXICO'S inflation rate rose 4.6 per cent in March, the Bank of Mexico announced, calling into question the Government's ability to meet even its revised target for consumer price rises this year. The March figure was fractionally up on the previous month and brought "accumulated" inflation for the first quarter to 19.0 per cent, giving an annualised rate of around 67 per cent. The original target for inflation this year was to have been

45 per cent, down from nearly 84 per cent last year. Following the collapse in the price of oil, however, which in recent years has provided Mexico with half its tax revenue and 70 per cent of its foreign exchange, the public sector deficit is now expected to be around double the original target of 4.9 per cent of GDP while the inflation target has been raised to 70 per cent. To meet it, consumer price rises will have to be held to an average 4 per cent per month.

# Faulty joints 'caused Shuttle explosion'

By Nancy Durne in Washington

THE NASA internal task force formed to investigate the destruction of the space shuttle Challenger has admitted that the chief suspect in the fatal accident, faulty rocket joints, definitely caused the explosion on January 28. "Clearly, the failure was the joint," said Mr James Thompson, vice-chairman of the space agency group studying the accident. One of several defects in the rocket booster and the cold weather could have led to the explosion, he added. Mr Thompson acknowledged that Nasa engineers had known in advance of the rocket's shortcomings and had been "just walking on the edge of a cliff" before "several of the factors just pushed us over." Like several Nasa officials in recent weeks, he admitted that the agency was at fault. "I think we just missed it in the design and I think some of the prior flight anomalies weren't taken seriously," Mr Thompson said the agency has conducted more than 300 tests on the boosters in preparation for Nasa's formal report to the Presidential commission due on April 15. "I wish some small fraction of those [tests] could have been run earlier," he said. Redesign of the rocket joints and perhaps other components will probably take longer than the 12-month timetable set publicly by the space agency for the resumption of shuttle flights, according to Mr Thompson. Meanwhile, salvagers were due to return to port yesterday carrying several rocket pieces—some of which have already been put on public display at the Kennedy Space Centre. Today, technicians are due to start disassembling a rocket booster intended for a future mission to conduct a meticulous examination of the "O" ring seals. US Vice President George Bush said yesterday he was concerned about "some of the revelations" turned up by the presidential commission investigating the Challenger disaster, AP reports. It was the first expression of concern by a top official of President Ronald Reagan's Administration about problems the commission has uncovered.

# Oil price fall is likely to boost world economic recovery, Philip Stephens reports

## IMF sees 3% growth for West this year

THE NEAR-HALVING of the oil price, lower interest rates and the US commitment to reduce its budget deficit have significantly enhanced the prospects of a sustained economic recovery in the industrialised world, the International Monetary Fund (IMF) says in its World Economic Outlook. The report, presented to finance ministers attending the twice-yearly meeting of the Fund's Interim Committee, says there still are considerable uncertainties surrounding the international economic outlook in 1986-87. Foremost among these are the scope and impact of efforts to reduce the US deficit, possible further swings in the oil price and in exchange rates, and the continuing problems faced by many heavily indebted nations. Present prospects, however, are for economic growth averaging 3 per cent among Western nations in 1986 and an increase in output of 3.2 per cent next year. In parallel, inflation should continue to fall from the peak of just under 10 per cent to 3 per cent in 1987, the Fund says. The outlook says that the fall in the oil price (it assumes an average price of \$15 per barrel until the end of 1987) implies a cut in the combined import bill of industrial countries of some \$60bn from its 1985 level. This transfer of income from oil producing

nations should add 0.75 percentage points to their output. Some of the expansionary impact of lower oil prices is likely to be offset by a fall in demand in oil exporting nations. The economies of less developed oil exporters are expected to stagnate for the second consecutive year in this year and grow only slowly in 1987, in contrast to the 4.75 annual growth rate expected for other developing countries. The prospective reductions in the US budget deficit may also act as a constraint on growth over the short term. The IMF says that the effective 25 per cent of the devaluation of the dollar since last year has reduced the threat to the world economy posed by the huge external imbalances between the US on one side, and Japan and West Germany on the other. The fall, however, is unlikely to have an immediate significant impact on the US current account deficit. Given the fact that imports are already so much larger than exports, a favourable shift in their relative rates of growth may reduce the trade deficit only modestly. At the same time growing interest payments abroad mean that the invisible surplus may continue to shrink, the IMF says. In the longer term, the devaluation should begin to reduce the deficit and bring a parallel fall in the surpluses

	IMF FORECASTS		Prices		Current account (\$bn)	
	1984	1987	1984	1987	1984	1987
Industrial countries	3.0	3.2	3.4	3.0	12.5	-9.3
US	2.9	3.6	3.3	3.0	-110.5	-106.8
Japan	3.0	3.2	1.1	1.4	72.0	61.0
West Germany	2.7	2.7	2.6	2.3	25.4	20.1
France	2.4	2.3	4.3	3.0	9.0	7.9
Britain	2.8	2.1	3.7	3.9	3.9	-0.7
Developing countries	3.0	3.4	25.9	13.7	-69.3	-57.5
Fuel exporters	-0.6	0.3	14.5	12.6	-69.7	-35.4
Non-fuel exporters	4.4	4.8	30.4	14.3	-29.3	-22.3

enjoyed by Japan and West Germany. The fund says that developments over the past year have raised several policy issues for the rich nations and demonstrated both the benefits and the need for closer co-ordination of economic policies. For the medium-term the industrial countries should maintain a commitment to reducing budget deficits and maintaining firm control of inflation. Over a shorter period, however, reductions in the deficit should allow a more expansionary stance in some other nations in order to maintain the momentum of the world economy. Japan's prospective growth rate this year of 3 per cent is well below its productive potential, arguing for some easing of its fiscal policy. In West Germany, the pace

of output growth is at present strong, but an expected slowing next year might argue for some relaxation then of its budgetary policy. The fund says that the outlook for further declines in the inflation rate holds out the possibility of renewed cuts in interest rates, but it argues strongly against aggressive action by central banks to push rates lower. The credibility of the anti-inflationary commitment of the monetary authorities in industrial countries is a valuable asset that was painstakingly acquired. Preserving this credibility must remain the central objective of monetary policy, it says. The outlook, however, is pessimistic over the prospect for unemployment, particularly in Europe which it says continues to suffer from structural

rigidities in its national economies. For Europe as a whole the unemployment rate is forecast to remain close to the present 11.25 per cent, a figure which does not take account of the large numbers of discouraged or unregistered workers. For the developing world, the outlook says that the steep drop in the oil price will mean a sharp divergence in the growth rates of oil-exporting and importing nations. The fuel-exporting developing nations face a decline in the purchasing power of their exports of 30 to 40 per cent and, thus, the prospect of a significant widening of their overall current account deficit. For the developing countries as a whole, the fund anticipates only a small rise from current levels of financial flows from industrialised nations. Direct investment and official lending may average \$54bn per year in 1986-87 compared with the average of \$52bn over the past few years. Private lending is expected to rise to an annual \$14bn from the \$11bn seen in 1985. The main task facing developing countries is to strengthen both net exports and domestic sources of growth with policies directed towards reducing government deficits in order to mobilise domestic savings, it says.

# Landslide vote makes Eastwood mayor

BY LOUISE KEOHE IN SAN FRANCISCO

THEY MADE his day! The voters of Carmel-by-the-Sea elected movie star Clint Eastwood mayor of their normally quiet Northern Californian resort town on Tuesday amid a blaze of international attention and hordes of noisy tourists. A carnival atmosphere prevailed on polling day, capping two months of campaigning in one of the strangest political races in American history. Life in the peaceful town was transformed—perhaps forever—by Mr Eastwood's candidacy for mayor. The final ballot count gave Mr Eastwood a landslide victory over the incumbent mayor, Mrs Charlotte Townsend, by a vote

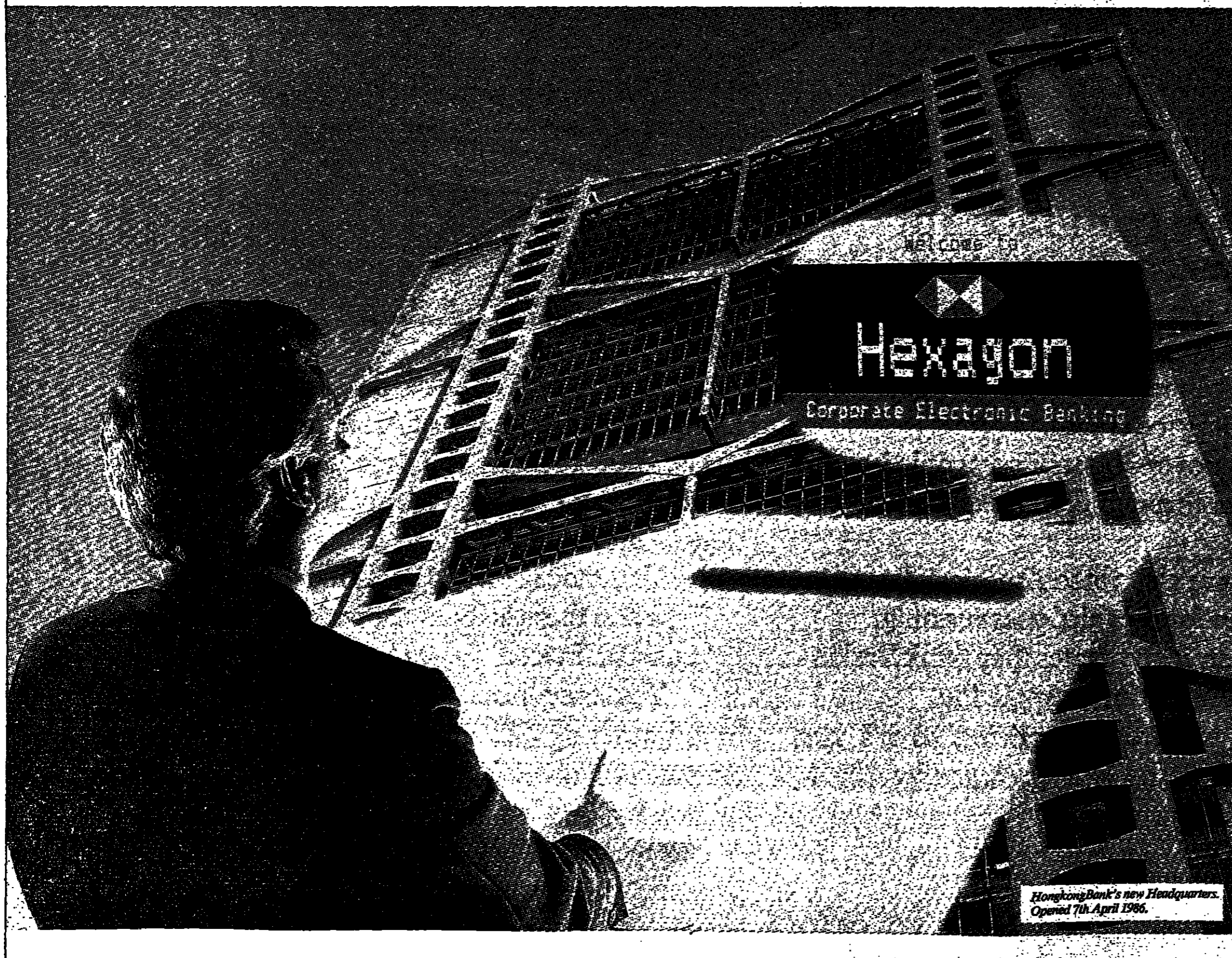
of 2,188 to 799 in an election that drew 73 per cent of the town's registered voters. Warnings from Mr Eastwood's opponents that having a movie star for mayor would draw more unwanted tourists to the already congested streets of Carmel went unheeded by the voters. Over the past few weeks, however, this concern has been well-founded. Last Sunday, for example, Mr Eastwood was forced to take refuge in a shop when a crowd of about 2,000—mostly tourists—jammed a narrow downtown street where he and other candidates were supposed to be greeting the voters. On election day, an estimated

400 reporters and television crew crowded around voting booths and the town's community centre—one reporter for every 10 voters. The women's screams that greeted the newly-elected Mayor when he arrived to declare victory late on Tuesday evening might have given some observers reason to think that Mr Eastwood's popularity has more to do with his good looks and tough-guy image than politics. But Mr Eastwood has taken his election campaign very seriously. "Dirty Harry" (one of the actor's best-known film roles), has always been fighting bureaucracy and "I guess in real life I'm fighting bureaucracy" too,"

he said. "We will take government out of the hands of the clique and put it back where it belongs—with the people." But while Mr Eastwood and his supporters emphasised the need for fewer restrictions on businesses in Carmel, Mrs Townsend adopted a campaign slogan of "Save our Village Against the Developer." "This city has been stifled for too long by this negative attitude," Mr Eastwood retorted. The 55-year-old actor, who has lived in Carmel for 14 years and owns a popular restaurant in the town called the "Hog's Breath Inn" promised to make the job of mayor his top priority.



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# WORLD TRADE NEWS

## Australia set to win Thai rail contract

EFFORTS by Australian companies and the Canberra Government to win business from Thailand's state railway system finally appear to be paying off, writes Chris Sherwell in Singapore and Gordon Cramb in London.

The Thai Cabinet on Tuesday approved a plan to update the signalling on rail routes in central Thailand, and the contract - reckoned to be worth around 1.3bn baht (\$48m) - will go to the most competitive Australian bidder.

This is because the Australian Government has agreed to give 25 per cent of the contract price as aid in the form of soft loans. The front-runner for the deal is said to be Westinghouse Brake and Signal (Australia), whose British counterpart won signalling contracts on a Thai Eastern Seaboard route last year.

The signalling decision is part of a much larger project, worth more than £95m, to improve the opera-

BRITISH RAIL Engineering Ltd (Brel), which has cut staff drastically because of declining UK business, looks set for a boost to its export strategy with a breakthrough order in Thailand, writes Andrew Fisher in London and Boonsong K'Thana in Bangkok.

The Thai Government has approved plans by the State Railway of Thailand to buy the Railbus, the suburban trains which Brel (part of British Rail) builds with the BL motor company.

The deal will be part of an overall \$133m project to re-equip the Thai rail system and update signalling. About half the money will be spent on carriages from the UK, West Germany, and France and the rest on signalling equipment from Australia.

tions of the State Railways of Thailand.

The project also covers the assisted purchase of more than 200 coaches, including 14 two-car Railbus units from the UK, and improvements in the system under a World Bank loan.

For one Australian company seeking Thai transport business, however, a conclusion may come more rapidly than most. Australian

Although the expected Railbus order of around \$9.5m for 14 two-car sets will be a fairly small part of the total Thai purchases, it will be the first UK export success for the low-cost, low-fuel commuter train.

Brel hopes it will open the way for more south-east Asian business in Malaysia and Indonesia. It has also demonstrated the Railbus to potential buyers in the US, Canada and Scandinavia.

British Rail, now upgrading local and provincial services, has bought 115 two-car units. The Railbus is a Leyland bus body on a Brel underframe. Brel's competition in the sector comes from Japanese and other European manufacturers.

National Industries (ANI), a publicly quoted heavy engineering group, is the only contender for an AS200m (\$114m) contract to supply high-speed locomotives and passenger rolling stock.

In a case which almost parallels the troubled bid still pending by Britain's Leyland group for a £385m (US\$564m) deal supplying buses to Bangkok, ANI has been seeking ways around a Government decision to stop the order on the grounds that it would breach official ceilings on external borrowing.

The ANI deal would not only be one of Australia's largest to Thailand, but would also equal the most substantial export projects secured by Canberra for Australian industry outside the mining sector.

It involves the supply of four or five trains, each comprising six to eight carriages and two power cars

based on the Australian Inter-City, for which ANI's Comeng unit is a supplier. The deal has been supported by Thailand's Ministry of Communications and by Canberra through the Australian Industry Development Corporation (AIDC).

An early hitch in the financing arrangements was overcome with an agreement that the locomotives and carriages would initially be leased for 10 years rather than purchased outright.

However, the Thai Government still viewed this funding as a loan which it would have to guarantee, since the lease payments would be made offshore in foreign currency.

When the matter came to the Cabinet for approval, it was referred to the Finance and National Economic and Social Development Board for closer examination. Although the board said the Government could not afford both this and other planned projects, it said the plan could go ahead as a private sector deal.

## 'Three lows' give S. Korea a sense of euphoria

BY STEVEN S. BUTLER IN SEOUL

SOUTH KOREA is reeling in heady euphoria from what has become known locally as the "three lows" - low oil prices, low international interest rates - and the low dollar.

The low dollar is, of course, a linguistic convenience. Won-dollar exchange rates have changed little in the six months since the Group of Five Finance Ministers' meeting that touched off a dramatic realignment of international exchange rates. But as the Korean won has ridden the long ride down with the dollar, the prospects for trade have improved sharply.

Korean products will be relatively cheaper compared with Japanese when they compete for the same customers, as in electronics or cars. The decline of the won relative to Japanese and European currencies also promises to boost demand for Korean goods in those markets.

### Historic

The currency realignment opens the door to improved trade balances with many trade partners. Trade frictions and the protectionism it can prompt is a worrisome threat for a nation whose exports regularly exceed 35 per cent of the gross national product.

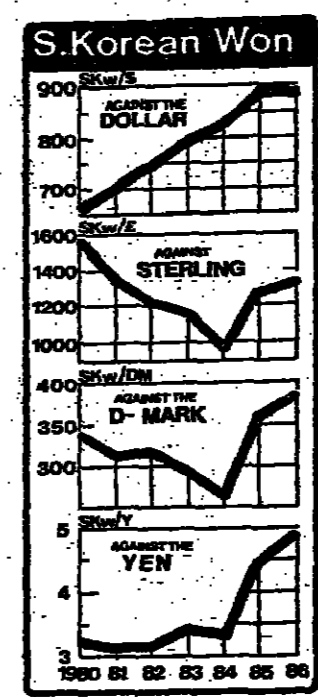
But in the short, Korea is awash in a sea of red ink on the trade account with Japan.

In recent years, its deficit with Japan has run to about \$30n annually on a trade volume that last year reached \$12n. For historic, geographic, and price reasons, many Korean export industries depend heavily on Japanese parts, components, and machinery, particularly in electronics.

In the first nine months of 1985, when the yen was relatively weak and the Korean economy sluggish, that deficit began to decline slightly. Now, with the Korean economy gradually picking up steam, and still dependent on a stream of imports that is growing more expensive almost daily in dollar terms as the value of the yen rises, the deficit has rebounded sharply. In the four months ending in January, Korea's exports to Japan expanded by 43 per cent while imports grew by 9.6 per cent on an annualised basis.

Britain sold £2.7m of bulk Scotch Whisky to South Korea in 1985. The import of bulk whisky is scheduled to be phased out, beginning in 1987, in order to provide protection for the local industry.

"We may see a 'J' curve phenomenon," says Mr. Kim Ki-Hwan, a prominent economist who until recently was Korea's chief trade negotiator and now is president of the Ihae Foundation. Mr. Kim is referring to a



35.5 per cent of all Korean exports last year, are still limited. "The net advantage to Korean manufacturers is not as large as the appreciation in the yen's value might suggest," says Mr. K. B. Yoo, executive vice-president of Daewoo Corporation. "There are a number of reasons why this is so, including the high content of imported Japanese components in many of the products we make such as consumer electronics and machinery. We must pay more for those components."

In the long run, this factor could be good news in Europe and the US, as well as in Korea. The higher price of Japanese components will send Korean buyers elsewhere. Over many years, it will speed the localisation of production for many electronic and car parts.

### Irritant

Mr. Kim Ki-Hwan, nonetheless, worries that in the short run, Korea's surplus with the US may broaden as Korean goods pick up market share from the Japanese. That surplus which reached \$4.26bn by Korean Government figures has become a major irritant in bilateral relations.

The same could also occur in Europe where Korea's exports surged ahead by 97 per cent in January on an annualised basis. Although Korea's trade with the EEC is relatively more balanced, it still has a large surplus which, in the case of the UK, totalled \$347m last year.

Over the long run, the Government believes the realignment of currencies will allow trade with both the Community and the US to come closer into balance, while the deficit with Japan drops.

The Seoul Government began a "controlled float" of the won in 1980 after which exchange rates were determined mainly by a trade-weighted basket of currencies, dominated by the dollar. As the dollar soared, and the economy boomed, Korean exports to the US surged. But at the same time the won rose in value against European currencies, sharply reducing the price competitiveness of Korean goods.

In early 1985, as Korean exports sagged, the Government began pushing the won down against the dollar and all other currencies. Since October, the won has continued to decline sharply on a trade weighted basis. Inflation has been kept low in part because of the drop of raw material and energy prices.

'The currency realignment opens the door to improved trade balances with many trade partners. Trade friction and the protectionism it can prompt is a worrisome threat for a nation whose exports regularly exceed 35 per cent of the gross national product'

pattern in which the deficit becomes sharply worse in the short run, before economic forces set in that turn it around and push it rapidly in the opposite direction. Korean exports to Japan of textiles, footwear, seafood products, steel, and plastics are likely to pick up as the effects of the realignment of currencies comes into play.

Korean businessmen caution that the effect on exports, especially to the US, which took

## Distrigaz pursues gas deal negotiations

By Francis Ghiles and James Ball

DISTRIGAZ, the Belgian gas company, is pursuing negotiations with Sonatrach, the Algerian state oil and gas monopoly despite the decision by Distrigaz at the end of last week to refer the renegotiation of contract terms to the International Chamber of Commerce in Paris. The new terms were due to come into effect on January 1 1986.

Renegotiation of the contract terms, a regular three-yearly occurrence, concerns both volume and price. This is in marked contrast to the interim agreement reached during the past week by Sonatrach with Gaz de France and the Spanish company, Enagas, which simply adjusts the gas price paid by both companies for 1986.

Distrigaz is seeking to alter the pricing formula, which would bring the price it pays closer to the current price level of Dutch and Soviet gas, and cut the annual volume of gas it lifts from Algeria.

## Hitachi move on chip shipments

BY YOKO SHIBATA IN TOKYO

HITACHI is planning to start direct shipment to the US of 256K dram (dynamic random access memory) chips produced by its Malaysian subsidiary.

The company said the move was part of its strategy to remain competitive in the world market following the yen's steep appreciation, which has made exports from Japan uncompetitive.

It is understood, however, that the company intends to ward off a provisional dumping ruling by the US Commerce Department against Japanese microchips.

Hitachi pointed out that Texas Instruments of the US,

which has a microchip plant in Japan, shipped products originating in Japan to the US, but it escaped the dumping charge because it assembled the chips in Singapore and then sent them to the US.

Hitachi has been shipping chip wafers to Hitachi Semiconductor (Malaysia) and sending the completed products - about 800,000 so far - back to Japan for inspection. They have then been exported to the US. It plans to start shipments direct from Malaysia in June.

The US Commerce Department in March said that the weighted-average dumping margins on

the chips were 108.72 per cent for NEC and Mitsubishi, 74.35 per cent for Fujitsu, 49.50 per cent for Toshiba, and 19.80 per cent for Hitachi.

When the department makes its final decision by May 27, US custom will require a cash deposit or bond equal to the anti-dumping duty on imports of Japanese 256K drams.

NEC also has semiconductor assembly plants in Singapore and Malaysia; Toshiba has in Malaysia and Matushita Electronics in Singapore. These Asian countries whose currencies move in parallel with the US dollar are lucrative for production bases.

## UK bid to sell more whisky to S. Korea

By Our Seoul Correspondent

BRITAIN yesterday asked the South Korean Government for further liberalisation of the import of Scotch whisky and for stronger protection for intellectual property.

The demands came in talks held between Mr Paul Channon, the UK Trade and Industry Secretary, and Mr Kim Mahn-je, South Korea's deputy prime minister in charge of economic planning.

The meeting took place as part of the visit of Mr Chun Doo-hwan, the Korean President, to London. Mr Chun met with Mrs Thatcher yesterday for two hours, longer than expected, in talks described as "very friendly".

The two leaders discussed East-West relations with regard to the tense situation on the Korean peninsula, international economic issues, including the new round of Gatt (General Agreement on Tariffs and Trade) negotiations and the upcoming Tokyo economic summit, as well as bilateral trade issues.

Mrs Thatcher will visit Seoul from May 2 to 4 on her way to the Tokyo summit.

Britain sold £2.7m of bulk Scotch Whisky to South Korea in 1985. The import of bulk whisky is scheduled to be phased out, beginning in 1987, in order to provide protection for the local industry.

## Yeutter warning to Japanese

BY NANCY DUNNE IN WASHINGTON

MR CLAYTON YEUTTER, the US Trade Representative, has told a congressional subcommittee he is prepared to take "very harsh actions" against the Japanese if they do not soon agree to open their market to American semiconductors.

Talks collapsed at the end of March, with the Japanese showing "intransigence," Mr Yeutter told the House ways and means subcommittee on Tuesday.

Administration officials have been determined to win on the semiconductor issue and consider it

a key to future settlements on high technology. They had hoped to be well on the way to agreement by the time Prime Minister Yasuhiro Nakasone visits Washington on April 12-14.

Now, according to Mr Yeutter, there is no chance of a deal by that time. But he said it would be on the agenda during Mr Nakasone's visit and the Prime Minister would have to deal with it urgently on his return to Tokyo.

Although US semiconductor companies have outsold their Japanese

competitors in every other world market, the US market share in Japan fell last year to below 9 per cent, according to Mr C. Travis Marshall, senior vice president of Motorola, the US electronics group, who also appeared before the subcommittee.

The US Semiconductor Industry Association estimates that the financial losses to American companies caused by lack of market access amounted to about \$1.7m last year.

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# TECHNOLOGY

## Assessing health of computer retailers

AN EXPERT system which can predict the chances of success for a High Street business computer retailer is already in the final stages of testing. A complete product for use by banks and other agencies seeking to establish the financial soundness of the microcomputer retailing business should be ready by October this year.

It will be the first product from Alflex, the Alvey Financial Community Expert Systems Club. The club comprises some 30 banks, insurance companies and other financial organisations each of which have paid £10,000 towards development costs.

Alflex is one of a number of clubs set up under the aegis of the UK Government's Alvey Directorate to increase awareness of the value of expert systems to industry and commerce. These are computer programs designed to distill the knowledge of a group of experts, in a particular area, in such a form that it can be used effectively by less qualified people.

Alflex, in seeking to build a demonstration system of interest to all its members—which include the banks of England and Scotland, Lloyds and Midland, Kleinwort Benson and First Merwick Mitchell—settled on corporate health analysis.

In that sector, the financial health of high technology retailers was of special interest, partly because assessing the prospects for these companies is a major headache to the banks and investment agencies.

The demonstrator system built by the Alflex contractors, Helix Software Consultants and Expert Systems International, assesses the health of retailers' marketing approach—shop front or sales force, commission levels and sales overheads.

Now the club is looking for a further five members to help defray the cost of completing the system. To build such a system from scratch would cost £300-£400,000.

Alflex members share in all the work of the club for their £10,000 plus VAT subscription. Those interested should contact Mark Russell of Helix on 01-248 1744.

Big increase in power puts FPS into pole position on high-speed computer grid.

## New challenges emerge for world's fastest machines

**FLOATING** Point Systems (FPS) the US manufacturer of high performance scientific computers, last week duly launched its T-Series supercomputers, machines said to be more powerful than any machine currently available and distinguished by their use of the Innos transporter as a fundamental computing component.

According to FPS, the smallest of the T-Series has a peak speed of 3620m floating point operations a second.

Performance of 128m floating point operations a second. The largest, the T/40000 offers a peak speed of 3620m floating point operations a second.

Floating point operations per second (flops) are a conventional measure of supercomputing power. Each flop represents a mathematical operation, addition, subtraction and so on, carried out with a very high degree and demonstrably correct measure of precision.

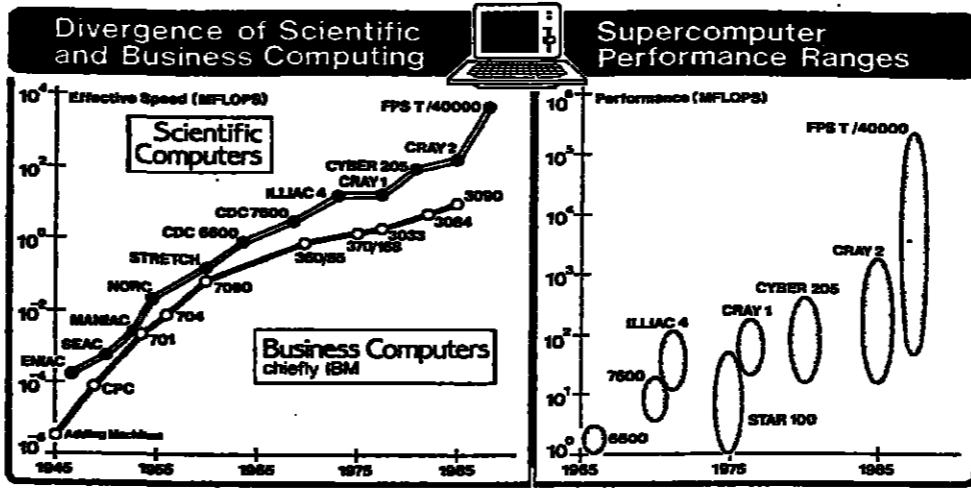
To give an idea of the T-Series achievement, the fastest supercomputers to date, the Cray 2 and the CDC Cyber 205 have a top performance of about 1bn flops.

Super computers are a rare breed of machine. They have the same relationship to conventional commercial computers that Formula One racing cars have to the humble family saloon.

And just as Formula One cars perform well at speed in Grand Prix and would perform badly if boxed in traffic on the way to the seaside, so supercomputers are at their best crunching through millions of numbers on the way to solving complex mathematical equations.

The market for such machines is inevitably small and specialised although growing. As FPS puts it, the difference in power between supercomputers and ordinary machines has generally been achieved by pushing the limits of cost or practicality to the minority of users are able to justify their acquisition.

Now that is changing and new uses and users for these esoteric machines are emerging. Weather forecasters, oil exploration companies, physicists and civil engineers are obvious examples, but FPS goes on to argue: "There is more growth predicted for the extreme high performance part of the computing market than for any other market segment."



(Figures from Hambrecht and Quist suggest the global market for supercomputers could rise from \$425m last year to \$1,500m in 1990.)

FPS says: "The coming generation of massively parallel supercomputers will introduce a level of accuracy for physical simulation having an effect comparable to the introduction of high fidelity stereo to recorded music. Supercomputers may one day take part

in the design of almost every engineered product that we buy."

In the past two years, however, there have been new and distinct trends in the market for very powerful computers. Cray and CDC achieved power through brute force and advanced software techniques such as "pipelining" where computer instructions are handled in several steps. When the first step of a process is

completed the results are passed to the second step using separate hardware. The hardware used for the first step is therefore free to begin processing new data.

With dramatic increases in the power of microprocessors such as the Intel 80/286 and 386 and Motorola 68000 family, a number of manufacturers have found it possible to build "near-Cray" machines. These are not supercomputers

but give a peak performance close to supercomputer speeds at a fraction of the cost. They use a combination of low cost hardware (microprocessor chips and semiconductor memory) and software which makes possible an approach to "parallel" processing, the simultaneous processing of more than one operation at one time.

Powerful microprocessors, however, have also made possible the next generation of true supercomputers of which the FPS T-Series seems to be the first example.

The speed of its machines, FPS says, is derived from three elements:

- Multiple microprocessors. The largest of the new machines uses 16,384 very large scale integration (vlsi) microprocessors each capable of vector processing or using the same operation for lists of numbers. The FPS T1000 with 4,096 processors is reckoned to run at 65m flops to an accuracy of 15 decimal places. Each of these computing "nodes" has a higher performance per unit price than any supercomputer.
- Hypercube interconnects. What network of processors is best for supercomputing? Connecting every processor to every other processor is an obvious solution but the cost rule it out—even in the rarified atmosphere of supercomputing. FPS's answer was the "hypercube" network, a scheme devised by Charles Seitz at the California Institute of Technology. Most of the connections needed for scientific and engineering computing are already built into the hypercube design. "The bottleneck," FPS claimed, "of sequential processing was broken."

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### COMPUTING BY ALAN CAINE

## London Stock Exchange spells out its plans for automated trading

FOR THE most part, the computer systems now under construction at the London Stock Exchange replace existing manual systems or offer significant improvements to those based on electronics.

A significant exception is the group of systems being built to automate the trading function, so that entire orders—generally of the smaller kind which cost an inordinate amount of time and effort to process—can be processed without manual intervention.

Small order execution is the name for such systems, and earlier this week Mr George Hayter, divisional director of information services at the Stock Exchange, gave a London conference a detailed account of the system planned for the City.

The small order system is called SAEF—Seaq automatic execution facility. Seaq, the Stock Exchange automated quotations service, is at the heart of the exchange's network of computer systems, providing two way prices and other

information to broker/dealers through their Topic terminals. After Big Bang on October 27 this year, when minimum commissions and single capacity trading came to an end, but before SAEF is introduced market makers will put their bid and offer prices into Seaq for display to broker/dealers over Topic.

Trading will take place on the market floor or over the telephone. A trade report will be entered by a market maker or broker/dealer, according to the rules, using his Seaq terminal and the trade recording part of Seaq will pass the information for publication in the correct information display—and to the surveillance computer.

As a separate operation, the two parties will have to report details of their trade to the exchange's settlement section where they will be matched in the checking service (the Charm computer) before settlement in the Talisman computer. Mr Hayter said that SAEF

The new system will streamline operations and have a significant impact on reducing costs, says Mr George Hayter, divisional director of information services



would streamline this process and cut costs drastically. He suggested that while it cost between £24-£30 for trading and settlement now, SAEF could reduce that significantly: "I would like to be able to offer SAEF execution with Talisman settlement for £5 all in."

market maker enters his quote into Seaq for the broker/dealer to see, but there is no floor dealing or telephoning. The dealer simply enters his order into a terminal and the system executes it automatically at the best price against one of the market makers. The dealer later receives a

computerised confirmation and the market maker receives notification of the execution. The SAEF system passes a report of the trade to trade recording from where it is routed for publication on the Seaq screens and entered directly into settlement as an already matched bargain.

Trades up to 1,000 shares will be handled on SAEF, Mr Hayter said, adding that an analysis of recent trading patterns indicated that trades of up to 1,000 shares still account for 40 per cent of the shares processed by the Talisman computer.

Mr Hayter said he expected to be testing the service in the summer of 1987 ready to go live in the autumn of that year.

He went on to describe another trading service called BLOX, the Block Order Exposure system. This will not be a trading system, and it will operate at the other end of the market to SAEF. It is intended to assist in the trading of large blocks of shares

and is effectively a two way quote system like Seaq, but in much larger than normal size. "SAEF operates in the smaller orders for more active securities. BLOX is a tool to assist large trades in active securities and more modest trades in less active ones," said Mr Hayter.

SAEF and BLOX are crucial to the success of what the Stock Exchange is doing in new technology. Everybody agrees that low cost small order automatic execution will be important in maintaining the attractiveness of London as a trading centre.

There will be no shortage of competitive offerings if SAEF and BLOX should fail.

Reuters Holdings is continuing its development of the US Instinet system while discussing its potential with the Stock Exchange. The Cincinnati Stock Exchange, the only all-electronic securities exchange, is marketing its system in Europe through Software Sciences. And individual members are beginning to build

their own systems, to Mr Hayter's displeasure.

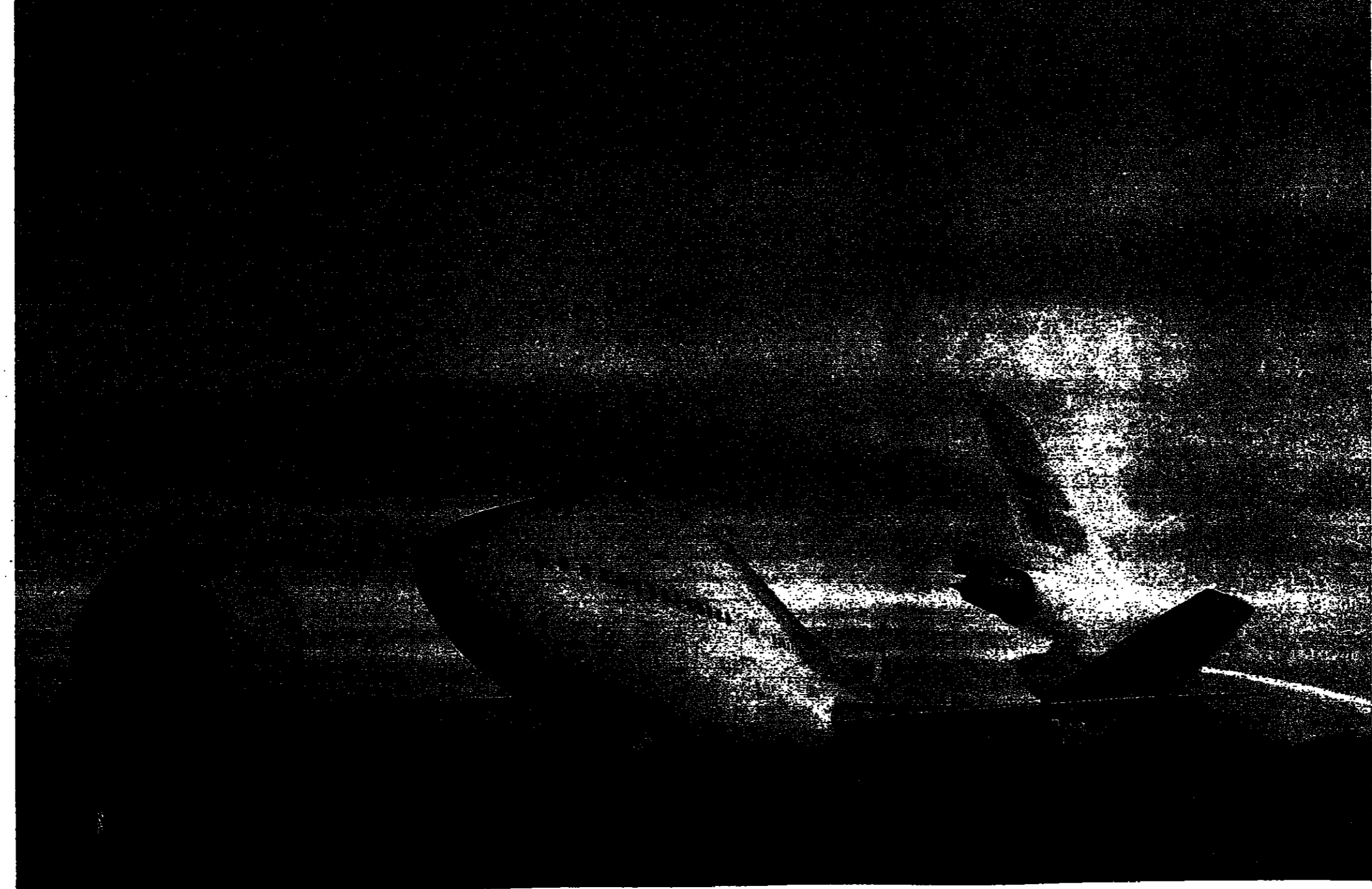
He said this week: "We need one co-ordinated central market in order to achieve the best pricing mechanism, the best liquidity and the most competitive market place. The different trading mechanisms need to be mutually supportive and inter-linked, and we will seek to achieve this through a combination of market rules and system facilities."

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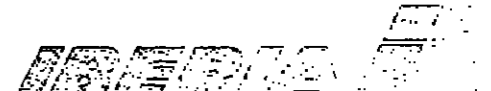
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UK NEWS

Paisley calls for end to attacks on Ulster police

BY HUGH CARNEGIE IN BELFAST

THE RECENT spate of Protestant attacks on the homes of police in Northern Ireland were condemned yesterday by the Rev Ian Paisley, leader of the Democratic Unionist Party, who called for them to halt.

His appeal followed criticism in Parliament of Unionist politicians for failing to give outright condemnation of the attacks which continued on Tuesday night for the ninth night in succession, though at a slightly reduced level.

Speaking on local radio, Mr Paisley said: "I, and those associated with me, unequivocally and unreservedly condemn violence and condemn the attacks made on police officers' homes and families or any individual connected with the RUC (Royal Ulster Constabulary)."

He criticised Mrs Margaret Thatcher, the Prime Minister, for putting the RUC "in the front line" of confrontation over the Anglo-Irish agreement, and he predicted mass resignations from the force if the position did not change.

Northern Ireland was "sliding in to anarchy" because the Government had rejected democracy in the province, he said.

The RUC reported four attacks on the homes of police officers or their relatives in Belfast on Tuesday night, bringing the total number of incidents of intimidation to 165 since a one-day strike against the Anglo-Irish agreement on March 3. More than 30 police families have been forced to move.

There were also a number of petrol bomb attacks on police patrols in Belfast, and three buses were petrol-bombed or stoned as Loyalist violence persisted. A number of passengers and a bus driver were injured, and yesterday bus drivers voted to halt evening bus services in the city until the situation improved.

Yesterday, Mr Alfie Redpath, a senior Official Unionist Party (OUP) Belfast City councillor, said ambiguous statements from the OUP on the recent violence "appear to make the violence legitimate, which it quite clearly cannot be... violence itself harms and takes away from the arguments we have against the Anglo-Irish agreement."

BALLADE MODELS WILL NOT COUNT AGAINST IMPORT QUOTAS All BL-made Honda cars will sell in UK

BY JOHN GRIFFITHS

ALL the Honda Ballade cars which Austin Rover is to make for its Japanese partner at Longbridge, Birmingham, are to be sold in the UK, Honda's wholly owned British sales subsidiary made clear yesterday.

Under a deal signed on Tuesday, Austin Rover is to produce 4,000 Ballades a year on the same lines which make its own Rover 200 series cars. The Rover 200 is built under licence from Honda and is based on the Ballade.

Because the UK content of the combined Rover/Honda range will be at least 80 per cent, the Honda versions will not count against Honda's import quotas. So they should increase Honda dealers' unit throughput by about 25 per cent

when they are in full production next year.

Last year Honda's 157 UK dealers sold just under 18,000 cars, and Honda UK says they could have sold substantially more in the absence of import quotas.

If all goes according to plan, however, Honda's dealers should be able to sell at least 25,500 cars - a 34 per cent increase - in 1987. This would arise from the introduction of the Legend, Honda's version of the XX executive car developed jointly with Austin Rover, the Rover version of which is to be known as the 800.

Honda said it expected Legend production to begin by the start of next year, some six months after

the 800, and to unveil it in the UK at the Birmingham motor show in October.

Honda expects to sell some 2,500 to 3,000 Legends a year in the UK, with a further 4,000 going to Continental markets.

Despite the increased sales potential, Honda says it has no plans to increase its dealer network in the UK. It has set a target of 170 dealers by the end of this year; the additional 13 will fill geographical "open points."

While BL has indicated that Austin Rover's production of models for Honda could reach 100,000 units a year early in the 1990s, Honda expects no significant increase in production of Ballades during the model's lifetime. This is expected to end in 1988/89, with its replacement taking the form of another joint venture model between the two companies which would supplant also Austin Rover's Maestro and Rover 200 models.

Some Austin Rover private estimates have suggested production of Honda versions of the new joint venture project, code-named YY, could reach 50,000 a year.

Honda has acquired a large site at Swindon, Wiltshire, where among other things it will road-test the UK-produced Legends and the Ballade. It is understood that Honda believes the quality of the Rover 200 models is close to that achieved on its lines in Japan.

Tebbit attacks legacy of permissive Sixties

BY JOHN HUNT

MR NORMAN TEBBIT, the chairman of the Conservative Party, yesterday called for firms sentencing to deal with violent crime and emphasised the need for radical policies to overcome the "poisoned legacy of the permissive society" of the 1960s.

"British society must regain a sense of order enforced by punishment of violent criminals - order in the streets, our schools and in the home," he said in a

strongly worded speech to a congregation at St James' Church, Piccadilly, in central London.

The permissive society had become the "anything-goes society, the couldn't-care-less society and the violent society." He believed that sentencing had gone too far in the direction of leniency and was now rightly being brought back into balance to deter crime.

He said he did not believe that there could be any serious argument over whether punishment constituted a deterrent to crime. Nor over whether there was a relationship between the severity of sentence and the effectiveness of the deterrent. "Of course there is," he said.

Mr Tebbit's speech was seen as an attempt to restore the Conservative image as the party of law and order. Rising crime figures have been an embarrassment to the Government. The timing of his speech was significant, coming on the eve of today's by-election in Fulham, west London, with two other by-elections pending and the local council elections due on May 8.

Mr Tebbit saw the Government's policies to encourage personal ownership and responsibility as an essential part of the battle against permissiveness and crime.

Mr Hardy and his Merlin phone system emerge triumphant from the phoney war.

IN WHICH HARDY WITNESSES HIS TROOPS' RAPID AND PAINLESS MASTERY OF SUCH DESKTOP WEAPONRY AS MERLIN FEATUREPHONES.

Ernest Hardy was a man of rare vision and considerable intellect. The former gift was manifest in his choice of the Merlin Monarch phone system from British Telecom. His intellect was about to be concentrated on the Merlin FeaturePhone that now rested deceptively inert on the desk before him.

The time had come. Hardy thought he could hear the distant strains of a fanfare as he prepared to go among his troops and train

mainframe access terminal. In other words, voice, text and data in one compact unit.

"Come, Cunningham," interrupted Hardy. "I was about to instruct my staff in the use of Merlin FeaturePhones. I think you might be impressed."

HARDY'S TRIUMPH

Hardy stepped out of the lift and stopped dead. He was confronted by a dozen employees already using their newly installed FeaturePhones and workstations with the confidence and dexterity of people who would appear to have been using them all their lives.

Hardy was quick to seize the opportunity. "Mr Cunningham, you see before you a workforce so finely trained that they have already, within minutes, mastered the many facets of our Merlin weaponry."

It was more than a quick recovery. It was a triumph. But the glory belonged to the brilliance of the Merlin Monarch, its FeaturePhones and the Merlin Tonto.

Ernest Hardy, his considerable intellect and his tutorial talents retired to fight another day. FT&A



ONE FINGER, ONE BUTTON

Naturally, Hardy himself was not familiar with 'techno-fear', but he was given to understand that it was an affliction of lesser mortals. To ensure it didn't hinder his staff's mastery of the new Merlin system, Hardy was planning a minor training programme. Casting his eye over the sleek instrument before him, Hardy rapidly came to the conclusion that it subscribed to the one-function, one-button school of design, eliminating the irksome need to memorise long codes for simple features.

FOR MONARCH AND COUNTRY

Hardy's swift surveillance of the FeaturePhone's clearly marked buttons and a few delicate finger strokes were richly rewarded with successfully diverted calls and telephone conferencing.

It was mere seconds before Hardy was fully conversant with the slightly more complex call handling features. 'Wait on busy', 'Call hold and retrieve', 'On-hook dialling' and 'Last number recall' were all skills that came swiftly to Hardy's fingers.

Even his first attempts at such communicative feats were resounding successes.

them in the art of successful use of a Merlin FeaturePhone.

WORKSTATIONS

His first encounter was a sobering experience. The financial director was sitting in his office working brazenly and competently with the new Merlin Tonto. "Cunningham," snapped Hardy, "what are you playing at?"

"Hardly playing, Hardy," replied Cunningham. "This is the new Merlin Tonto from British Telecom. A multifunctional workstation comprising advanced FeaturePhone, messaging terminal, business computer and

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Vital stage reached in Murdoch talks with print unions

BY PHILIP BASSETT, LABOUR EDITOR

TALKS between News International and print union leaders have, with little public notice, reached the vital stage of recognition inside Mr Rupert Murdoch's now-established high-technology printing plant at Wapping, in London's docklands.

For long, recognition has looked like the rock on which the delicately poised talks might founder with the unions insisting they must be equally firm that they should not.

Or so it seemed. The reality of the talks so far has started to prove a little different in three areas:

● The Unions. From the start of the dispute, a divergence between the two main unions involved - the National Graphical Association (NGA) and the Society of Graphical and Allied Trades (Sogat) - always looked possible. Sogat has more members at stake, but the NGA has its survival.

The difference emerged at a rally of the unions in London last month. Mr Tony Dubbins, NGA general secretary, said the unions wanted to be in Wapping but Ms Brenda Dean, of Sogat, markedly did not.

All the unions are now talking openly about compensation for their members - with the company in particular (though not always placing weight on comments from Mr Dubbins earlier this week when he said what the unions wanted was reinstatement, redundancy and compensation.

Reinstatement might mean recognition of the NGA, but not necessarily so. Whatever it means, it hardly squares with redundancy and compensation, unless the objective is to reach some form of nominal reinstatement deal to save face, with the real issue being compensation for those dismissed for going on strike.

● The company. As the dispute progresses, News International's line also seems to be shifting. From an early insistence that it was done with its staff at its old London plants of Grays Inn Road and Bouverie Street, NI managers are now beating a different drum.

No strikers are as yet employed at Wapping. But the company is making clear in the talks that it will not reject someone qualified for a job who happens to be an NGA or Sogat member.

NI will not take on NGA or Sogat members who it can be shown have taken part in what the company claims are continuing acts of considerable violence.

● The plant. One internal NGA estimate is that about 40 of its members are inside Wapping - crossing picket lines and producing the paper. Most are managers who, in the Fleet Street tradition have kept their union cards when moving up the managerial hierarchy.

The union has also suggested that the technology in place inside Wapping leaves room only for a few NGA jobs even if the union was to be recognised.

The present talks are discussing the question of what constitutes union recognition, from formal recognition in a signed agreement to a presence in the plant.

What is clear is that the company will not have the traditional Fleet Street system of strict job demarcation lines based on union membership.

It may well be that none of this will come to anything. Plans for a type of company council, similar to those at UK-based Japanese companies featuring strike-free deals, will not help the unions' case. But the surprise may well be that the two sides, with the help of the TUC, are still managing to talk to each other on the key issue at stake.

Inquiry clears JMB of VAT bullion fraud

BY TERRY POVEY

CUSTOMS and Excise investigators have cleared Johnson Matthey Bankers and its staff of any involvement in suspected Value-Added Tax (VAT) frauds on gold bullion dealings. In a separate announcement Bank of England officials have been cleared by the police of allegations made in Parliament concerning the handling of the affairs of certain JMB customers.

Both announcements are important for the Bank as they remove obstacles to the sale of JMB back to the private sector - expected in the next month.

However, the ending of these two inquiries does not mean an end to investigations concerning JMB. Public Prosecutions (DPP). His since the beginning of the year about 40 police officers - the largest team ever to deal with a single fraud case - has been investigating the possibility of fraud within JMB before its £250m rescue by the

Bank of England in October 1984 or of the bank being defrauded by one or more of its customers.

Mr Peter Brooke, Minister of State at the Treasury, said in a written reply yesterday that customs officers had completed their VAT-related inquiries at JMB and that no grounds for prosecuting the bank or any of its staff had been found. In March a number of men were arrested in raids by the Customs and charged with VAT frauds on gold bullion sales to JMB.

Meanwhile the City of London police said a report on three substantive allegations of improper behaviour had been studied by Sir Thomas Hetherington, the Director of investigations concerning JMB. Public Prosecutions (DPP). His since the beginning of the year about 40 police officers - the largest team ever to deal with a single fraud case - has been investigating the possibility of fraud within JMB before its £250m rescue by the

The investigations followed allegations in Parliament last year by Mr Brian Sedgmore, the Labour MP.



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UK NEWS

# Schroder may drop interest in Land Rover

BY JOHN GRIFFITHS

SCHRODER VENTURES, one of the main potential bidders for the Land Rover division of state-owned BL indicated last night that it might withdraw its proposals, claiming that it had been misled by the Department of Trade and Industry (DTI).

This followed an acrimonious meeting at the DTI yesterday at which both principal prospective bidders, the Schroder Ventures-led management buy-out consortium and the Lornho group, protested to Mr Paul Channon, Industry Secretary, against the inclusion of the JC Bamford construction equipment group in the bidding.

Their protests that only parties which had met the Government's original March 4 deadline for bid proposals should be allowed to proceed were, however, firmly rebuffed by Mr Channon.

The DTI is now taking the view that a new set of circumstances has arisen, after the withdrawal of GM from seeking to acquire both Land Rover and Leyland Trucks. In the DTI's view, these mean that the field is open to any new parties interested in making a bid, provided their proposals have been lodged by a new target date set by the BL board of April 15.

At the time BL's board announced the new date a few weeks ago it stressed that April 15 was not a second deadline, merely a target for any revised proposals which would keep up the momentum of negotiations after GM's withdrawal - and thus help to minimise the damaging uncertainty surrounding Land Rover.

Both Schroder and Lornho interpreted this as applying only to them.

# Minister rules out ban on Belgian ferries

BY ANDREW FISHER, SHIPPING CORRESPONDENT

THE UK Government has decided not to ban Belgian ferries from British ports in retaliation for the recent problems of Sealink ferries in regaining access to Belgium.

Mr Nicholas Ridley, Transport Secretary, said yesterday the Belgian Government had agreed to see how quickly the needs of Sealink in finding a new berth at Zeebrugge could be met.

Thus, he said in a written parliamentary answer, it would not be appropriate to act against Regie for Maritiem, Transport (RMT), the Belgian ferry company which formerly ran a joint cross-channel service with Sealink.

RMT now has an agreement with Townsend Thoresen, part of European Ferries, a rival to Sealink (owned by Sea Containers). In January Sealink called on the Government to close UK ports to RMT unless the British company was given renewed access to berths in Belgium.

After the ending last year of its links with RMT, Sealink was told there was no spare capacity at

# Howe attacks \$40bn world food subsidies

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT

SIR GEOFFREY HOWE, the Foreign Secretary, yesterday sharply attacked the system of subsidies for food production in the industrialised countries, which resulted in huge surpluses in some countries coupled with fatal shortages in others.

In a speech at the Lord Mayor of London's Diplomatic Banquet, Sir Geoffrey said that taxpayers in Europe, the US and Japan would pay out in direct subsidies for food production no less than \$40bn in 1986. This was more than three times the combined gross national products of Ethiopia and Sudan.

Europe was at present storing, at public expense, 500,000 tonnes of beef, 1m tonnes of butter, 18m hectolitres of wine - enough to fill 64,000 Olympic-size swimming pools - and 15m tonnes of grain.

The US, for its part, was already storing five times as much grain as Europe, some 80m tonnes. By the end of the growing season this was expected to double to 160m tonnes, more than 45 per cent of last year's output.

One of the big paradoxes of this situation was that too much food in some parts of the world could aggravate shortages in the poorer countries, because subsidised food surpluses on world markets depressed prices. Production in the poor countries thus became uneconomical, and that compounded the dire effects of droughts and other disasters.

The starving people of the world needed the help of the rich countries, but massive food aid to get rid of unwanted surpluses was not the long-term answer. "It is not the best answer for the recipients and bad for the donors," Sir Geoffrey said. "The food and its storage has already been paid for by Western taxpayers with money that would be far better devoted to true development aid."

Britain was pressing this point with its European Community partners. It wanted Community food aid to be focused on famine relief and linked to strategies to increase local production.

The Foreign Secretary did not deny that Europe needed some sort of "common" agricultural policy to avoid damaging competition between national farm policies. He also recognised the importance of a prosperous rural community and a healthy countryside.

However, achievement of that objective could not be for ever founded on a system which financed the production of ever-larger crops for which there was no conceivable market. "Sensible agricultural policies should help the laws of supply and demand work better - not subvert them."

# Apricot's question of compatibility

Jason Crisp looks at long-term prospects for the UK's once high-flying computer group following its failure in the US.

APRICOT Computers is looking rather bruised after a succession of well publicised problems culminating in the admission this week that it had failed in the US market. Yet sales of its new top-range Xen personal computer are doing well, and it has just signed an important deal with W. & T. Avery, a subsidiary of the General Electric Company.

On top of the US problem this once high-flying group has, in the past six months, lost market share in the UK, failed to break into West Germany and France, dissolved an ambitious joint retailing venture with Tandy and, for the first time, made losses.

Inevitably, the question now being asked of Apricot is: does it have a long-term future if it is largely dependent on the UK in a market where price competition is breathing-taking and its competitors operate on a worldwide basis?

Although it will report a small pre-tax loss for the year ended last month, it is still in a strong financial position (net assets of about £30m including more than £5m cash) to give itself time to reassess itself. Having taken swift action - such as dropping its low-margin cheap products and going rapidly upmarket - Apricot is likely to show a substantial jump in profits in the new financial year.

One of the most critical decisions it has to make is whether finally to admit that it is an IBM world and make its own range of business personal computers compatible with those of the US computer giant.

Mr Russ Nathan, head of market research consultancy Romtec, says: "The Xen is already a great success, but if they make it IBM-compatible, they have got an absolute winner."

There are strong signs that Apricot is moving down that route. It already has some limited compatibility, and this has been helped by IBM's recent launch of personal computers with 3½in floppy disks the same size as used by Apricot.

According to Mr Simon Pearce, consultant at IDC-Europe, by next year 80 per cent to 85 per cent of personal computers will be IBM-compatible.

The strength of IBM and its many clones means there is tremendous pressure to conform. Customers do not want computers which are incompatible, and a long time almost all new software is written for an IBM-type system first.

Last November, when the company unveiled a £4.8m interim loss, there were hints it was moving swiftly in that direction. Some observers believe the board is split on whether or not to go IBM-compatible. Mr John Lefwich, Apricot's marketing director, was untypically coy about the issue. "We would not go to IBM-compatibility unless we could retain all the hallmarks of the Apricot line."

If it does become IBM-compatible it might still sell in the US. Its initial foray into the US could not - with hindsight - have come at a worse time. Apricot Inc was set up with \$20m capital in November 1984 financed by a public offering in the UK which gave Apricot plc a 19.9 per cent stake and raised £12.8m in the City of London.

It took Apricot Inc longer than expected to sign up and train dealers who were reluctant to carry more than the three fastest moving lines. By the time Apricot Inc was seriously in business the US market was collapsing. The announcement on Tuesday that Apricot plc was effectively giving the US operation to its managers also showed just how badly it did.

The offer document for Apricot Inc specified sales in the first year of \$53m rising to \$151m in 1987. In fact, it sold just \$4m of computers and lost the equivalent of £14m.

Everyone knew it was a high-risk operation, but by not going into the US with a direct subsidiary - as Acorn Computers did to its considerable cost - Apricot has limited the damage to a £3m write-down, and an 8.5 per cent dilution of its own shares.

Apricot Inc - with remaining cash reserves of \$800,000 - will still sell in the US but on a non-

exclusive basis. Mr Simon Hunt, Apricot's group financial director, cites the US and Canada as key areas where the company can increase overseas sales.

About 80 per cent of Apricot's sales are in the UK with Australia its second-best market. Mr Hunt expects overseas sales could rise to between 35 per cent and 40 per cent. The company has taken possible successful action to halt its falling UK market share.

After a long decline Apricot may have begun to improve its share of the UK market. Romtec says Apricot's share jumped from 16.5 per cent in December to 18.5 per cent in February although Intelligent Electronics and IDC Europe think the figure is between 10 per cent and 11 per cent.

W.&T. Avery, the weighing group, will use Apricot's computers in retail systems linking scales and barcode devices. Mr Lefwich says the three-year "original equipment manufacturer" agreement could account for 10 per cent of sales. W.&T. Avery - which sells largely to small business - will also specialise on vertical markets. On Sunday it will tell dealers about combined computer and software packages aimed at farmers, estate agents, insurance brokers and solicitors.

Apricot's argument is that service and handholding are essential for small business customers which they can only get from dealers who are not interested in selling the cheap computers because there is no margin.

# TUC rebuffs plans to widen private ownership of shares

BY PHILIP BASSETT, LABOUR EDITOR

TRADE UNION leaders yesterday came out strongly against the Government's drive towards wider share ownership and profit sharing.

An attack by the Trades Union Congress (TUC) foreshadows what is likely to be a sharp debate on the subject at next month's meeting of the National Economic Development Council (NEDC), the forum made up of industry, Government and trade unions.

The TUC's economic committee yesterday approved a policy paper which will later this month be ratified by the full TUC general council and which is highly critical of the Government's endorsement of wider share ownership.

In particular, the TUC notes disapprovingly the suggestion in the budget last month from Mr Nigel Lawson, Chancellor of the Exchequer, of a move to a system of pay in which a "significant proportion" of employee remuneration would depend directly on company profitability. Mr Lawson is expected to emphasise this in a paper to NEDC.

The TUC is careful in its document to emphasise that it did not want to prevent Mr Lawson with the opportunity of claiming that the TUC had prevented discussions on profit-sharing or other schemes aimed at helping reduce inflation or unemployment.

But it says that the Government's proposals "are not so much an encouragement for individual share holding, but an attack on collective institutions" and display few, if any, genuine egalitarian motives.

The TUC notes the widespread take-up by employees in BT of shares, and the "undoubted success" of the National Freight Corporation, which was bought out by its employees, but argues both that small shareholders rapidly get rid of their shares so a "share-owning democracy" is not created, and that much of this form of share purchase depends on the buoyant stock market. "The enthusiasm for work-er shareholding might wane considerably if shares were falling in value," it says.

It suggests further that the substantial discounts offered to employees in such flotations as BT made it unsurprising that many should have flocked to buy them.

The unions suggest, instead, the traditional, collective approach to employee share ownership, via pension funds, insurance companies and unit trusts as "the vehicles by which most ordinary people can share in equity growth."

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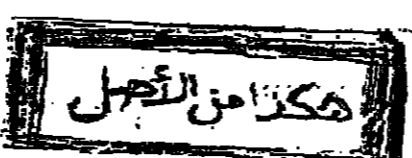
Final acceptances for the UB offer must be received by 3pm Friday, 11th April 1986\*

United Imperial

THE VALUE OF UB'S OFFER DEPENDS ON ITS SHARE PRICE. THE ABOVE OFFER VALUE IS FOR UB'S ORDINARY SHARE. ALTERNATIVE AND TAKES ACCOUNT OF AN ESTIMATE BY HOWE & PITMAN AND WOOD, MACKENZIE & CO LIMITED, BROKERS TO UB, OF THE VALUE OF THE NEW UNCONVERTIBLE PREFERRED SHARES. THE VALUE OF THE CONVERTIBLE PREFERRED SHARES IS ESTIMATED BECAUSE THEY WILL ONLY BE LISTED IN THE EVENT OF THE OFFER BECOMING UNCONDITIONAL.

\*UNLESS THE OFFER HAS BECOME UNCONDITIONAL AS TO ACCEPTANCES.

**INTERNATIONAL PROPERTY REVIEW**  
THE FT EVERY FRIDAY



## UK NEWS

Michael Donne reports on price-war worries as bookings fail to match increased capacity

## Airlines face a rough summer ride across the Atlantic

AIRLINES flying between North America and Western Europe are viewing the summer with concern: a combination of too many seats and falling traffic (especially as fewer US tourists are visiting Europe) is already increasing price competition, and some airlines fear this could accelerate in the months ahead to a full-scale "fares war."

Last year more than 30.9m seats were available on scheduled services across the North Atlantic, 12.6 per cent more than in 1984. But there were only 20.9m passengers (up 7.6 per cent). The 10m empty seats were equivalent to about 20 Boeing 747 400-seater Jumbo jets

flying empty across the Atlantic every day.

Details of profitability on the route are not disclosed by airlines. But, while some may claim profits, most airlines do not make much money, and some must make losses.

The going has proved tougher for the charter airlines, which have not been able to keep up with the price competition from the scheduled airlines. Last year, the number of North Atlantic charter seats fell 9.1 per cent to 2.6m, with the number of passengers falling 9.4 per cent to 2.27m.

This year, the overall situation

could be worse. In January (the latest month for which figures are available) the 48 scheduled airlines involved increased seating over the previous year by about 14 per cent to 2.25m, but the number of passengers rose only 6.9 per cent to 1.28m.

With the beginning of the official airline summer season on April 1, further increases in capacity have occurred, or are being planned.

Some airlines are launching new services (such as American Airlines between Chicago and Manchester, and Virgin Atlantic between Gatwick and Miami), while others are increasing capacity on existing routes. Some of these operations

will make money, but it is likely others will not.

British Airways and British Caledonian say they are not putting on more capacity, preferring to meet the competition with cheaper fares and better service. Another UK airline, Mr Randolph Fields' Highland Express, has postponed plans until spring 1987, to start operations to New York and Toronto this summer.

Mr Fields said this decision was "unavoidable due to market deterioration" because the US and Canadian markets had shown a steep drop in summer bookings. The fall in bookings is partly due

to the genuine fear of many US tourists of terrorist activities in Western Europe, accentuated by last week's bomb explosion on the TWA jet between Rome and Athens.

Last year's TWA hijacking, the Achille Lauro ship hijack and the bombs in Rome and Vienna airports have all served to steer US tourists away from Europe this summer, according to the travel trade on both sides of the Atlantic.

This is more serious in southern European and eastern Mediterranean countries. The situation is better for the UK, West Germany and other north European countries, but

encouraging US visitors to come remains difficult.

The weakening of the dollar against many European currencies is another disincentive.

This downturn, at a time of excessive capacity, is why some airlines, especially in the UK, have begun to cut prices, at least for the early summer months.

Many airlines, especially US operators with their aggressive competitive marketing approach to air transport, and supported by the yields from substantial US internal networks, may then begin to force large fare cuts to fill empty seats. The European airlines would be

forced to retaliate, and a fares war that few in Western Europe want to see, could be generated.

Overshadowing this situation is the uncertainty over the UK's own civil aviation relationship with the US from the end of July when part of the Bermuda Two Anglo-US agreement - Annex Two - expires.

This annex governs capacity on the UK-US routes (the remainder of Bermuda Two, which continues to be effective, covers all other aspects of aviation between the two countries).

The US airlines would be happy to see Annex Two dropped, because it is a restriction on their competitive

ambitions. The UK, however, wants to see it renewed to prevent US airlines dumping capacity on the route at rock-bottom prices - which could only damage the UK airlines.

For all these reasons, the airline industry is nervous over the North Atlantic situation, especially in the UK, where British Airways obtains about 25 per cent of its revenue from that route, British Caledonian about 35 per cent and Virgin Atlantic almost 100 per cent.

Virgin Atlantic's new cheap rates between Gatwick and New York and Miami from April 1 have been approved by the Civil Aviation Authority.

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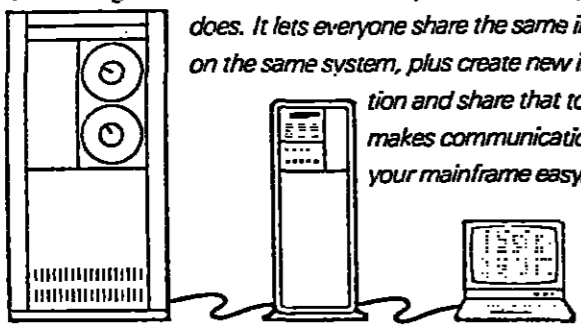
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## Friends' lifeline for troubled insurance group

RESCUE of the old-established UK Provident Institution by Friends' Provident Life Office has underlined problems facing the British life insurance industry in general and the mutual life companies in particular.

UK Provident, a mutual society whose funds of £1.4bn are technically owned by the policyholders, has laid blame for its troubles on its investment policy; in particular its holdings in unquoted securities, a substantial part of which are in the oil and gas exploration sector.

Traditional life companies marketing mainly with-profit life and pension policies are finding that they are competing not only among themselves but with linked-life companies and with other savings media. As such they are being forced to maintain high bonus rates - higher than may be justified by the actual investment returns on the premiums.

In addition, costs of acquiring new business are high. Marketing accounts for most of the expense in acquiring new business and putting it on the books. A life company will not recoup these expenses until the second or third year that a policy has been in force.

In addition, mutual life companies, with no equity shareholders, cannot raise outside capital to finance expansion or new developments. The only source of capital is what they can generate internally.

Fortunately, most long-established traditional life companies have accumulated large reserves from past operations by successful investment and holding back profits from policyholders. This has enabled them to compete in today's competitive market.

UK Provident was until a decade or so ago a rather staid life company. It endeavoured to become a major player in this field within a short period by undertaking a strong expansion of new business backed by highly competitive bonus rates.

The company achieved a strong growth rate over the past few years, but apparently at the cost of eating steadily into its free reserves.

In addition, the company went beyond the normally accepted investment strategy for life companies by investing in oil exploration and production in the US through unquoted companies. Such investments are justified only if the life company has the necessary reserves to cover. In the event, UK Provident just did not have the reserves to meet the cost when these oil and gas investments ran into trouble.

The situation was serious enough for the Department of Trade and Industry to intervene in the affairs of UK Provident, even though the company was not technically insolvent. However, the company could not

Eric Short explains how a takeover became the only option for the UK Provident Institution

maintain its present level of bonus rates and had no choice but to cut them - a move that would effectively stop the company in its tracks because insurance intermediaries would have immediately stopped putting any new business with the company.

The only practical solution, therefore, was for some other financial institution to take over the affairs of UK Provident and have Friends' Provident come to the rescue. Friends' Provident has also been endeavouring to expand its operations. Mr Fred Cotton, chief executive, said life assurance had become a 'large players' game. The costs of installing new technology, where Friends' Provident had been well to the fore, were extremely high and growing, so that only a major company could hope to absorb them.

But a mutual life company could not find another mutual company that was also seeking to grow and was willing to merge. Most companies wanted to grow, but were wary of mergers.

Mr Cotton said that organic growth was far slower to meet his company's plans and he had been looking for a suitable partner for some time. UK Provident fitted his requirements.

A big asset of UK Provident is its marketing organisation and sales force that can be integrated with that of Friends' Provident. If a life company wants to grow, it must first expand its marketing outlets. With this merger, Mr Cotton has achieved most of his targets for expanding his marketing force.

A life company on a growth path needs access to in-depth investment expertise and the takeover gives Friends' Provident a further measure of that. UK Provident's investment department had a good reputation, despite the one blot on its activities.

Any merger will bring its casualties and UK Provident policyholders are having their bonus rates cut, at least for the time being.

Interim rates are being cut by around 10 per cent and the next bonus declaration is being deferred from end 1986 to the end of 1987 while the assets of UK Provident are re-organised.

UK Provident will also lose its separate identity. Almost all of the company's policies are withdrawn and UK Provident's marketing organisation will be selling Friends' Provident contracts. The question of unit-linked contracts has still to be resolved.

By these means, the drain on reserves caused by accepting new business is stopped.

## Private loco project hailed as success

BY DAVID BRINDLE

THE FIRST private locomotives to run regularly on state-owned British Rail have been acclaimed an outstanding success by Foster Yeoman, the quarry group which bought the four powerful diesels from General Motors of the US.

The locomotives, which arrived in the UK in January, entered service on Foster Yeoman's stone trains following proving trials in which they are said to have broken records for heavy rail haulage.

BR is monitoring closely the performance of the diesels. Many of its own locomotives are approaching retirement ages, and Sir Robert Reid, BR chairman, has made it clear that US manufacturers will be considered for future orders.

The Foster Yeoman diesels, each costing £1m, are running in the company's own grey and blue livery. They do, however, carry BR numbers and listing as Class 58. The engines are based and serviced by BR staff at a depot built by the company at its Merched, Sponset, quarry, from where they haul stone trains throughout southern England.

According to BR, the diesels have been "successful in all they are undertaking." It said the Foster Yeoman

trains of about 40 company-owned wagons stretched for more than a quarter-mile.

Previously, these trains were each hauled by two BR diesels. The GM locomotives, which operate singly, do not have more powerful engines - each generates 3,300 horse power - but they have a special "creep control" to prevent their wheels slipping under strain.

This control includes a radar which measures speed against wheel slip, countered by generating extra friction through bursts of power.

An article in the April issue of a rail enthusiasts' magazine logs the GM diesels' performance during their proving trials. It said one 4,834-tonne load of 42 wagons plus three dead locomotives was the heaviest train ever hauled in Britain.

One Class 69 developed "almost unbelievable" tractive effort of up to 114,000 lb. The magazine suggests such results are bound to have far-reaching implications for BR's own locomotive buying policy.

BR is due to place orders for 1,250 replacement diesel locomotives in the next 25 years and has said foreign suppliers will be considered.

John Smith

# MANAGEMENT: Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ

WITH LESS than 48 hours to go before Terminal Four at London's Heathrow airport welcomes its first passengers, the real test of the design of Europe's newest terminal building is about to begin.

There is going to be less stress and hassle getting from one point to another, and every chance to spend, spend, spend. The idea behind the £200m building—six years in the making and reflecting the latest thinking on airport design—is that it will be altogether more fun. Before they approached the drawing board, consultant architects Scott Brownrigg & Turner and design consultants Plich & Co scoured the world's airports noting the state of the art. But, they insist, there is no role model for Terminal Four. Not Changi, Los Angeles International, not Schiphol, not Atlanta. As with any new offering it owes much to its forebears, they say, but is its own person, with individual features.

So far, reaction to the hi-tech steel rectangle with the daffodil yellow "airside" catwalks linking aeroplane to building has been mixed. "People inevitably take time to warm to something different," says Scott chairman Ken Gilham. Much attention has focused on the internal colour-schemes—chic steel grey/silver with a sombre terracotta paling to pink in places. The two colours are mixed in the chevron patterned carpeting (two miles long, it comes with a 10 year guarantee).

The brief from client British Airports Authority stressed simplicity, speed of construction as well as flow of passengers, service, space and security. Both architects and designers already have airport experience (Scott with Heathrow's Terminal 1, Baghdad and now Malta and Bahrain and Fitch with Shannon, Dubai, and now the Heathrow Terminal 3 revamp).

First impressions inside are of length. The building is half a mile long, which is as far as London's Oxford Street to Oxford Circus to Marble Arch. The strategy is open plan (no traditional lounges or collecting "gates") and that goes for the roofing too. Overhead runs a spaghetti junction of ducts, tubes and pipes that lend an appropriate hi-tech feel to the building. The rationale for the exposed roof is partly functional in that the height stipulation meant that if covered over, the interior of the building would be claustrophobic. The open network also provides easy access for maintenance.

Operationally, there are a number of interesting design initiatives in the new terminal. Passengers are segregated—a security line—with arrivals on



## Heathrow for the big spender

Feona McEwan on the design of Terminal 4

the ground floor and departures on the first floor. An interconnecting mezzanine offers eating areas, linked by ramps, (not lifts) which means that invalid vehicles and luggage trolleys can go anywhere.

Given that the Terminal, with its intercontinental routes will be catering primarily for business travellers (that means a minimum of meeters and greeters, unlike at Terminal 3) the accent is on what planners call "airside" that is past passport control. Passengers are encouraged to proceed swiftly through to the departures concourse that runs the length of the building.

The entire building is flexibly constructed to meet changing needs and its Meccano-like sections can be easily replaced or altered. "Whatever the Government and the BAA says now, few predictions can be made with any certainty about the needs of the terminal in five years' time," says Gilham. The gate system, for instance, means that areas built for 100 passengers are suddenly required to cope with 300 as planes get bigger. The new terminal is expected to handle 4,000 passengers an hour and has the capacity for a year.

check-in desks (72 in all) are designed to cope with any airline computer (initially the designers had no idea who the end users would be) and the soft seating, designed by Peter Crutch of Fitch and Co, is constructed with removable upholstery pads for cleaning or disposal.

The aim was to "humanise" the massive building. Research among the world's leading airports indicated to the designers that airports were becoming inhuman places, losing their accessible scale. "They should be sexy and fun places," says Fitch consultant and airport specialist Alan McKinnon. "People are being processed instead of being treated as visitors and customers." Among the humanising factors are live trees (most imaginatively on the arrival carousels) and British artwork on the walls (paintings by Brendan Neiland, murals by Sue Ridge, tapestry by Peter Simpson, sculpture by Graeme Ibberson).

There are three main strands to airport design, says McKinnon: operational, environmental, and commercial considerations. Traditionally airports ignore the last factor—many an airport is a monument to municipal pride. Fitch

refuses to see terminals as garages of the sky; instead, like the retail strategist it is (with Burton, Woolworth behind it), it sees them as money spinners.

Add to this the stress factor ("I buy, therefore I am") much chronicled by psychologists and in the case of the business traveller, the guilt factor (perfume to appease the stay-at-home partner) and you have a captive audience waiting for a market to happen.

The British Airports Authority recognises its potential goldmine. As the UK's 21st largest retailer, it makes 45 per cent of its total profits from concessions (that includes tax and duty free shops, catering and others).

Fitch, with Dubai airport's tax and duty free shop under its belt, knew the form. There, it took what McKinnon calls a "bunker" and transformed it into a shopping mall for the airport's mainly transit passengers. Now the area is taking some £100,000 a day, £3.6m a year, and last year won Frontier magazine's retailing award. The perfume counter is designed to be user-friendly—especially for men—who may not be comfortable with traditional display counters. So too at Terminal Four. Perfume is displayed in "touch me and buy one" display cases.

The whole retail side has been designed to concentrate the spending areas together, says McKinnon, rather than dotted around as at, say, Schiphol or Changi. Research proves that customers buy more that way.

Historically 70 per cent of BAA passengers go through the duty free area (tobacco and alcohol, etc) and some 50 per cent buy, while only 30 per cent go through the tax free zone (electronics and other goods) and 13 per cent buy. Terminal Four aims to change that proportion.

The Terminal displays minimum signage—to reduce "sight blindness" and to keep down the decision-making of harassed travellers. Research shows, says Gilham, that a surprising number of first time fliers have difficulty in reading signs.

Peter Crutch's new seating range—he designed the Terminal range for Terminal 1, 15 years ago—is built to meet a number of needs: durability (it was tested for the equivalent of a 12 year lifespan and still found indestructible); security (the cantilever structure reduces the number of legs making it easier to check and clean); capability (it was required to handle some 5,000 people).

Now it's over to the passengers to judge the new building. From Saturday the real test begins.

## Realignment in PR

THE Good Relations Group has retained its position as the UK's largest public relations consultancy in the week that it agreed to merge with Vainu Pollen International, the advertising and PR group which last week achieved a full Stock Exchange listing.

According to the latest league table of PR consultancies, published by the trade magazine PR Week, the merger of the two consultancies will create the UK's largest specialist PR group with a combined fee income of over £2m.

Good Relations remains at number one in the PR Week table with a fee income of £5.7m—an 11.7 per cent increase on the level in September 1985 when the league table was last compiled.

Vainu Pollen's PR activities alone—it does not include earnings from its advertising agency activities—amounted to £1.5m which puts it at 15th place in the PR Week table. In addition, Vainu Pollen also owns another consultancy, McAvooy Wreford Bayley which stood at 29th in the league table with a fee income of £1m.

The two PR consultancies are expected to maintain their separate identities to avoid any conflicting accounts.

Good Relations was almost dislodged from premier position by Charles Barker Group which has been growing twice as fast as GR over the past six months.

New entrants to the top ten were Communications Strategy, up from 17th to seventh place, and Biss Lancaster which moved from 12th place to tenth. Last year Biss Lancaster was acquired by the Wight Collins Rutherford Scott advertising agency.

TOP TEN PR CONSULTANCIES	
	Fee Income
1 (1) Good Relations	£5.7
2 (2) Charles Barker Gp.	5.65
3 (4) Burson-Marsteller	4.32
4 (3) Shandwick Group	3.7
5 (5) Dewe Rogerson	2.74
6 Hill & Knowlton	2.37
7 (17) Communications Strategy	2.28
8 (8) Daniel J. Edelman	2.2
9 (16) Carl Byoir	1.8
10 (12) Biss Lancaster	1.67

Source: PR Week, Figures to Dec 1985.  
David Churchill

## Coke at the Boilerhouse

# Anatomy of a megabrand

Feona McEwan reports on the selling of an American dream

A RETROSPECTIVE on a soft drink? Has the Victoria & Albert Museum gone soft? But then Coke is no ordinary carbonated syrup. Coca-Cola happens to be the world's most recognised trademark, more American than apple pie and a truly global product that has transcended international boundaries and needs no translation. This year, "the real thing" is 100 years old.

In 1985, the company was claiming that it was the most widely distributed product in history. As such, the care with which the trademark has been designed and guarded, polished and promoted down the decades is an object lesson in the commercial art of marketing.

To mark the centenary, the Boilerhouse at the V&A in London is staging an exhibition tracing the design and development of the cinnamon/citrus refresher that took on the world. In the accompanying booklet director Stephen Bayley offers a comprehensive history of the marketing strategy.

Coca-Cola started out in 1886 as a mystery elixir concocted by a quack, one John Stith Pemberton, whose watery sugary mixture of coca leaf and kola nut found favour in the local Atlanta soda fountains. From the start Coke showed a commitment to advertising.

Year one's budget was \$46, the medium was an olefin sign on a shop awning, and sales totalled 25 gallons. Humble beginnings for a company that in 1984 spent \$536m on advertising.

When the founder died, businessman Asa Candier acquired the label. One thing he understood well was advertising and he upped the budget to \$12,000. He saw to it that consumers were immersed in the brand name. He was a believer in the principle that it is not so much what you advertise but that you advertise, that stimulates demand.

In the beginning Coke was a syrup and a trademark and little else, distributed by a franchise system which supplied syrup to soda fountains. One fountain operator hit upon the idea of bottling the bubbly and thus opened the door to its becoming a national beverage. Independent businessmen found that a licence to bottle Coke was a licence to print money. At the time, the US was a disjointed nation, Bayley explains; it was divided into isolated rural com-

munities of disparate ethnic origins. The ubiquitous Coke offered a sense of joining the club.

Copyrights were never far away and the company fought long and hard to protect its main asset. In 1916 alone some 160 cases went to court.

By 1915 Coke's lack of corporate identity was glaring, and a uniform bottle to protect the product and keep competitors at bay was called for. After holding a national competition, the aggressively female contoured bottle was adopted. In 1923 Robert Woodruff took over the company, established an international division and aimed at the world.



One company president put the company's success down to two things: accumulation of advertising and atmosphere of friendliness created.

Unusually in a hard sell nation, Coke advertising never makes claims; instead it conjures up lifestyles and worlds of friendly, smiling, always beautiful people (including Joan Crawford, Jean Harlow and even Santa Claus).

In 1952, the advertising account changed from the staid W. C. D'Arcy to the go-ahead McCann-Erickson, specialists in motivational research. It was learnt that people bought Coke because they wanted to identify with its image.

The advertising obliged. In the prosperous postwar Eisenhower years, Coca-Cola caught and created the mood, and showed American life as people wanted to see it. Men looked like Jack Lemmon with blazers, open neck shirts and cravats, barbeques were the mode, and women knew their place, feminine and obliging.

Advertising in the 1960s, was upbeat, optimistic and hedonistic. Consumers were told that "Things go better . . ." with Coke and warmed to the catchy beat of the hit song "I'd like to teach the world to sing" allegedly the most successful commercial of all time. Its lines like "I'd like to build a home and furnish it with love," provided an ironic but positive counterpoint to the concurrent US military action in southeast Asia.

By the late 1960s, Coke was feeling the pinch from Pepsi, which had been first out with sugar-free cola. The company reacted dramatically. Besides its flowerpower pop hit, it decided to tamper with its hitherto sacred logo in a bid for greater visibility. Victim of its own familiarity, it felt it was going unnoticed. \$1.5m later, the circle of the logo became a square.

By the mid-1970s with Pepsi making strong inroads into Coke territory the pressure to diversify mounted. Coke found that its image, though sound enough, was simply getting older. In 1975 Pepsi ran its cheeky "Pepsi Challenge" ads, daring consumers to taste the difference. Wall Street saw Coke as a single product operation. Yet with 90 per cent of the cola market, Coke might be forgiven for wondering if saturation point had been reached. The only way forward was to grow the market. Diet Coke in 1982 paved the way for the Coke "family."

Then the company made the radical (many said rash) decision to change the taste of Coke. Cherry Coke was born in spring 1985. Public outcry, publicity hype and extensive media coverage put pressure on the company to respond. Despite the fuss, sales rose 10 per cent on all Coke products that summer. Chairman Roberto Goizueta later announced, when he reintroduced Classic Coke, "the concept of multiple product entries under the one large megabrand is the new game."

More than anything, the strength of Coca-Cola is in what the trademark stands for . . . the fantasy that is the American dream . . . and marketers will doubtless continue finding products to spin out that dream and keep the company market leader.

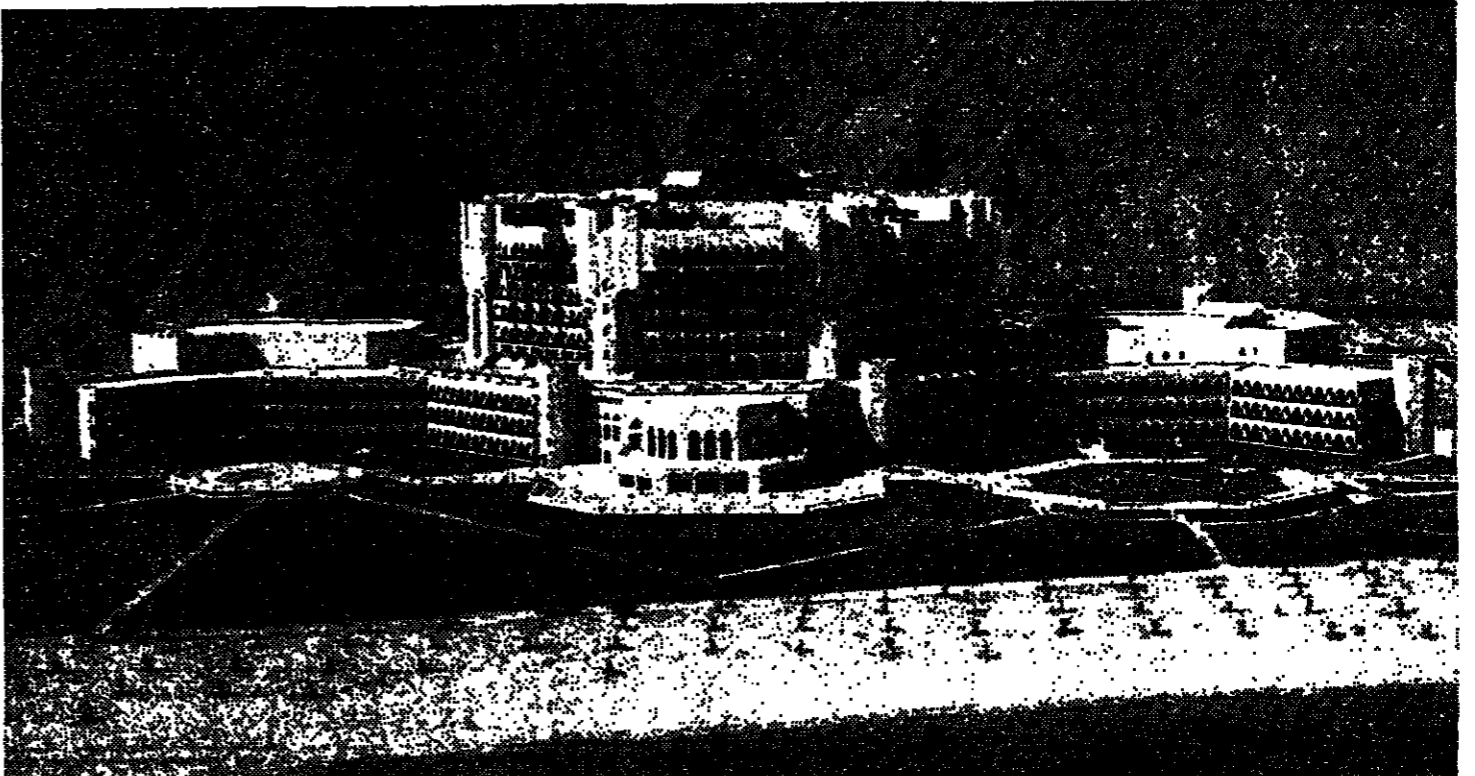
"Coke! Coca-Cola. 1886-1986, Designing A Megabrand" at the Boilerhouse, V & A Museum, London, SW7, until May 15.

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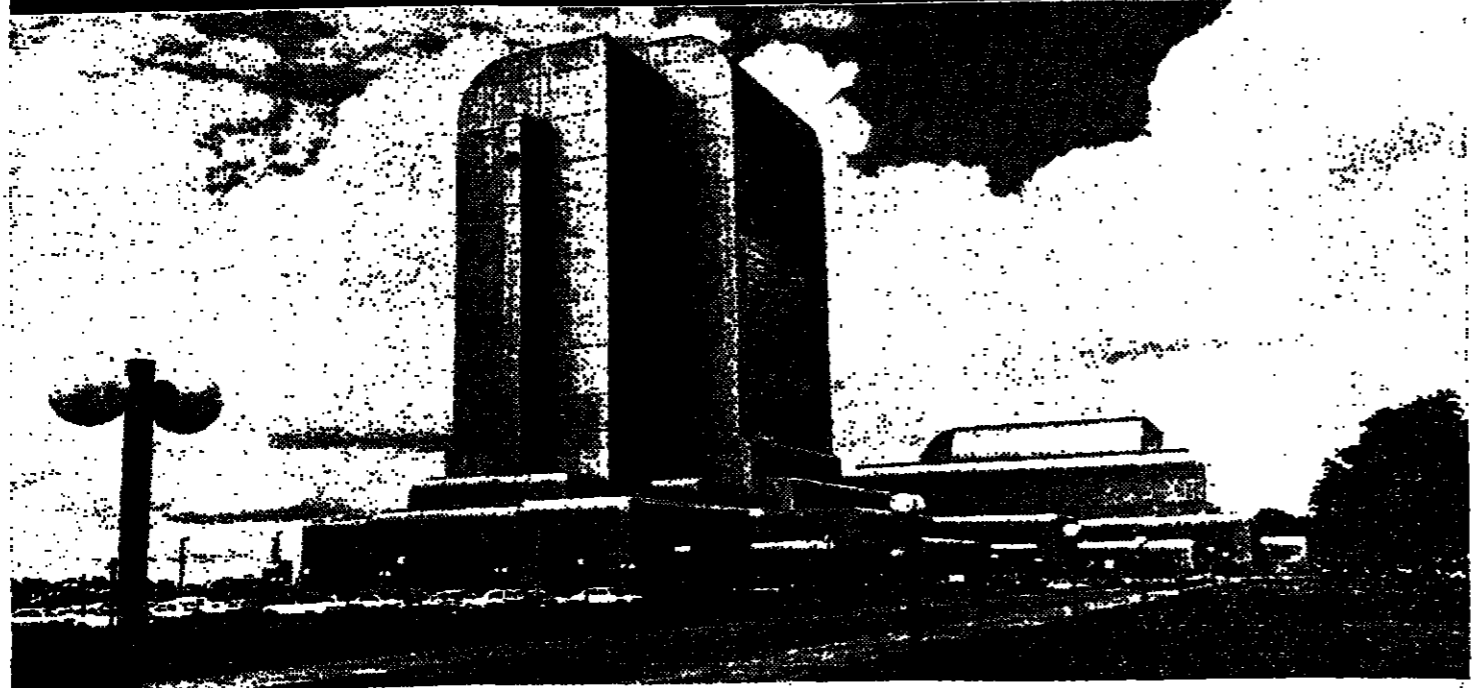
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THE ARTS

Impressionist drawings/William Packer

Fragments of essential function

There is no great mystery about drawing. Artists have drawn ever since the means of making appropriate marks were devised. For it is the most immediate, convenient and intimate of working practices.



Seurat's study for La GrandeJatte

ings, water-colours and pastels, does not survive. The exhibition, Impressionist Drawings, which the National Bank of Scotland has sponsored and is now at the Ashmolean Museum in Oxford (until April 20); then to Manchester City Art Gallery for May, and to the Burrell Collection, Glasgow, in mid-summer).

from the 1850s to the 1890s—that is to say from the young Degas to the old Cézanne. They include an exquisite Boudin of a sunset over the sea from the 1850s that might almost be by Monet, and next to it a Monet of the same subject that might almost be the same sunset, so close are the greys and pinks and oranges, and the overall directness and simplicity.

practical and precise. Apple trees by Sisley and Pissarro; Mont Saint-Victoire by Cézanne; a Manet Spinardi; Forain's man-about-town sleeping it off; Tissot's study of a woman in white that shows how close he once was, and might have stayed, to Manet and Degas; a Jongkind landscape; Sisley on the banks of the Seine—the treats keep coming.

Three extraordinary works by Seurat, two studies for La Grande Jatte and a standing nude are perhaps the most striking and commanding works of them all. Each, with the most sophisticated economy and delicacy of touch, conjures the deepest space and the most solid form out of the shadows. They are almost magical things.

Romeo and Juliet/Stratford

Martin Hoyle



Niamh Cusack, Robert Demeger and Sean Bean. Prince reading the Prologue, rewritten in the past tense, before two gift statues. Camera-men stampede down the aisles, bulbs flashing. As kitch, the ending is hard to beat. Strictly for school-children in deprived inner cities.

Mutiny and Henze opera between them have unbalanced Michael Bogdanov. His new production of Romeo, opening the main house at Stratford-upon-Avon this season, emerges as a cross between Absolute Beginners and West End Story with a dash of Dolce Vita.

impassioned balcony scene and much fervour throughout mark a promising, if not very individual first shot at the role. The Juliet, first glimpsed in a white evening gown, is a convincing teenager and can even tottle on the flute, benefitting from Niamh Cusack's professional musical training. Left to herself, Miss Cusack lets the pace flag. This has less to do with speed.

Concert opera/New York

Andrew Porter

Concert presentations play an increasingly important part in New York's operatic life. They enrich the repertoire, and they give New York a chance of hearing singers and conductors not engaged by the Met. In these pages I have already reported on this season's Ripoleto (conducted by Muti), on Giovanni d'Arco (with Bergonzi), and on Romeo and Juliet (conducted by Muti).

The principals were those of the latest Prague production (and the Supraphon recording): Gabriela Benacková as Libuse, and Zdeněk Světlík as Kamil. Benacková's tone is sometimes narrow (rather as Berit Lindholm's was) but it's pure and true, without the squallidness and unrestrainedness of earlier Libuses.

pressively. The burden of great singers' advice has always been: "Express the words, and the sounds will come of themselves." But "supertitles" (partial translations of the text flashed on to a screen above the stage, are sweeping America. They are even used for English language performances. And so the notion of opera as a dramatic experience is dying.

This Capriccio was the first of three Strauss performances in the Carnegie series prepared by Matthew Epstein; they are more carefully cast and more elaborately rehearsed than most concert performances. Intermzzo, with Elisabeth Söderström, followed. (William Weaver has reviewed it in these columns.) Daphen is still to come.

City of London Sinfonia/Barbican

Paul Driver

Tuesday's concert by the City of London Sinfonia at their appropriate venue, the Barbican Hall, was ill-fated. The programme had failed to arrive, and the scheduled conductor, Yan Pascal Tortelier, had cancelled.

strings received its British premiere. Lacking a programme note, I cannot refer to whatever metaphorical intentions the piece (a short single movement, first mainly slow, suddenly fastish at the end) may have, but can only report that it was conducted sympathetically, in a way that usefully brought out, it seemed, the rustic, nocturnal character of this otherwise rather anonymous idiomatic sketch.

Philharmonia, Muti/Festival Hall

Dominic Gill

The Philharmonia were on bright, responsive form for their concert on Tuesday night under Riccardo Muti. The evening offered two big Romantic works: Chalkovsky's violin concerto, and Strybin's third symphony—a welcome combination of familiar and relatively rare which is becoming the hallmark these days of an increasing number of Philharmonia programmes.

slow movement Canonetta—a refreshing change of perspective. Technically throughout he was a marvel to hear (magnificent sautillé bowing in the finale) and to watch (the exquisite control of that extraordinary floppy wrist, which gives the lie to every textbook rule).

Arts Guide

Music/Monday, Opera and Ballet/Tuesday, Theatre/Wednesday, Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

April 4-10

Exhibitions

There are attempted subjects in oils. West Building, Ends May 11.

CHICAGO

Art Institute: The 75th Annual Exhibition: chronicles the current scene in American art represented by 20 artists including Jennifer Bartlett, Roger Brown, Frank Stella and Ed Paschke. Ends April 27.

NEW YORK

Metropolitan Museum: Liechtenstein, the Princes Collection, one of the greatest private collections in Europe, shows a variety of the holdings, like a French Rococo carriage, fireworks, sculpture and a hundred paintings, including 19 Rubens, five Van Dycks, and eight Fransceschina. Ends May 1.

Museum of Modern Art: In the century of his birth, the museum mounts the largest show ever devoted to the architecture, design and furniture of Mies van der Rohe with 300 drawings, eight models and a full-scale rendering of the chrome-plated steel column from the 1929 Barcelona Exposition. Ends Apr 15.

WASHINGTON

National Gallery: The 150th anniversary of Winslow Homer's birth is commemorated in an exhibit of 100 watercolours of rustic scenes and rural life, which show Homer's experimentation in watercolours be-

terests him, from biblical scenes to the most varied expressions of his own face, from a portrait of a child, a woman, to an image of a couple making love. He experiments endlessly with the technique of etching, with different types of paper until he achieves the same strength of artistic expression in engravings as he does in paintings. Petit Palais. Closed. Mon, Ends April 30 (4269 1273).

LONDON

The Tate Gallery: 40 Years of Modern Art is a huge, rambling and always fascinating display marking the retirement of Ronald Ailey, Keeper of the Modern Collection for the last 20 years. He has chosen and arranged the show, drawing only on the Tate's stocks. Revival of critical interest in European work before 1960 has meant that the influence of the New York School is no longer the main attraction, as it once seemed. The show now takes its place with its international peers. The Tate stands among the best of modern collections, and this show makes clear its unique character of generosity and openness. Ends Apr 27.

PARIS

Rembrandt's engravings: Engravings from the Dutch collection represent Rembrandt's intimate world, his family, his friends, even shopkeepers and beggars. Every subject in-

Diego Giacometti: first exhibition showing the works of a sculptor-creator of furniture, mostly in wood and stone. Musée des Arts Décoratifs, 107 Rue de Rivoli. Ends Apr 13 (4269 3214).

WEST GERMANY

Hanover, Sprengel Museum Kurt Schwitters: Platz Kurt Schwitters (1897-1948). This comprehensive show, collected by the Museum of Modern Art, New York, includes as well works from his Hanover period (1922). There are 200 paintings, drawings assemblages, collages and sculptures. Ends Apr 20.

Stuttgart, Staatsgalerie, Konrad-Adenauer-Str. 30-32: German Art of the 20th century. This is the same exhibition as was shown at the Royal Academy in London last year. It is made up of 300 works from 1905-85 by 20 artists. Ends Apr 20.

Hamburg, Museum für Kunst und Gewerbe, Steinstr. 1: Also to honour Kokoschka, this museum is showing his complete works for the theatre. The 250 items cover costumes and set designs. Ends Apr 27.

Berlin, Haus am Waldsee, Argentinische Allee 28: 1969-1985 Aspects of Italian Art 100 works by 20 Italian painters, covering the last 25 years. Among them Ceroli, Fabro and Koullellis (Ends April 27).

ITALY

Rome: Galleria Nazionale d'Arte Moderna: Gian Carlo Piretti presents exhibition by one of the liveliest of contemporary Italian artists, now in his eighties. Joyful, irrepressible and irreverent, cooking a snoop at conventional values when he can, those of the Communist Party (which he joined in 1945) or piety. He declined to accept the party's strictures on how artists should paint, and one of his most famous works, The Demonstration (in commission), on show here, was severely criticised by the party leader, Togliatti, as being too abstract. Ends April 30.

Venice: Peggy Guggenheim Museum (Palazzo Venier dei Leoni): Fifty Years of European painting: 1910-1960. Since Peggy Guggenheim's death in 1979 her collection has been amalgamated with that of her uncle, Solomon R. Guggenheim. Thomas M. Messer, of the Guggenheim in New York, is thus director of both, and has organised some 30 works of exceptional quality, representing the important movements of those years: Fauvism, expressionism, cubism, futurism, surrealism and dada. The exhibition opens with Matisse and ends with Dubuffet. Via Braque, Pissarro, Kandinsky, Modigliani, Klee, Miró and many others. Ends April 14.

Venice: Museo Correr: 137 drawings from the rich collection owned by

the museum, from the 15th to the mid-19th centuries, includes Guardi, Canova, Canaletto, and Tiepolo, as well as less-known artists. Ends April 17.

Florence, Museo Nazionale del Bargello: Homage to Donatello: To celebrate the 6th centenary of his birth the 19 Donatello the museum owns, of which only six are of absolutely certain attribution, have been grouped, with much documentation, to give a new view of the artist. The exhibition includes his extraordinary, languid bronze David. Ends May 30.

SPAIN

Madrid: "Mar Eriak": A vast retrospective of master of surrealism on show for the first time in Spain gathers 125 works of his early Dada, collage, drawings and letters—many of which were written up to his death. On loan by the MOMA, César Pompidou, Guggenheim and Menil centres in Europe and the States, offers the fullest study we have yet had of the work of one of the most important artists of this century. Fundación March, Castello 77. Feb 28 to April 7.

BRUSSELS

Louvain-la-Neuve: paintings, drawings and lithographs. Credit Communautaire. Ends Apr 13.

Saleroom/Annalena McAfee

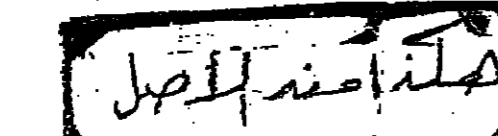
A Flemish following

Sotheby's London auction house was packed yesterday for the sale of 38 Flemish paintings from the collection of the late Charles de Pauw, a Belgian businessman and philanthropist. Among the works were 18 paintings by Pieter Brueghel the Younger as well as works by van Brouckel, the Younger and the National Youth Orchestra of Great Britain and Mark Elder (August 8).

Early music will include performances of Monteverdi's Orfeo given by Early Opera Project and Range/Dorrington (July 20) and Handel's Solomon performed by Trevor Pincock and the English Concert (August 5).

Surprisingly, two paintings by Pieter Brueghel the Younger — The Parable Of The Blind and The Road to Calvary — were left unsold, as was The Death Of The Virgin attributed to a follower of Jan Brueghel the Elder. They had been estimated at, respectively, \$300,000 to \$400,000, \$120,000 to \$160,000 and \$7,000 to \$9,000.

Other works from the De Pauw collection will be auctioned by Sotheby's throughout the world later this year. Sculpture by Henry Moore and Aristide Maillol will be sold in New York in May, while Mr furniture and porcelain will go in June. Far Western works of art, antiquities and 19th century paintings from the collection will be auctioned in London in June and July.





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role in them - we invite you to forward your curriculum vitae to us at your earliest convenience. Especially if it already carries evidence of achievement in the international business community, a high level of self-confidence and independence, strong interpersonal skills, imagination and a liking for professional challenge. A background like this, together with our exceptional training programme, will rapidly equip you for new success - and new status - in this fast expanding and highly lucrative market. We look forward to hearing from you. Hilary Gane (Ref: 369FT), 63-66 St. Martin's Lane, London WC2N 4LX.

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FINANCIAL TIMES BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY

Sir Hector or Lord Hanson

THE NOTION that big corporate takeovers are the business of the shareholders...

Many of the most hotly debated issues, including management style, the importance of size and the appropriate length of corporate and institutional time-horizons...

Strongly patriotic Sir Hector and Lord Hanson are closely identified with their companies' past successes...

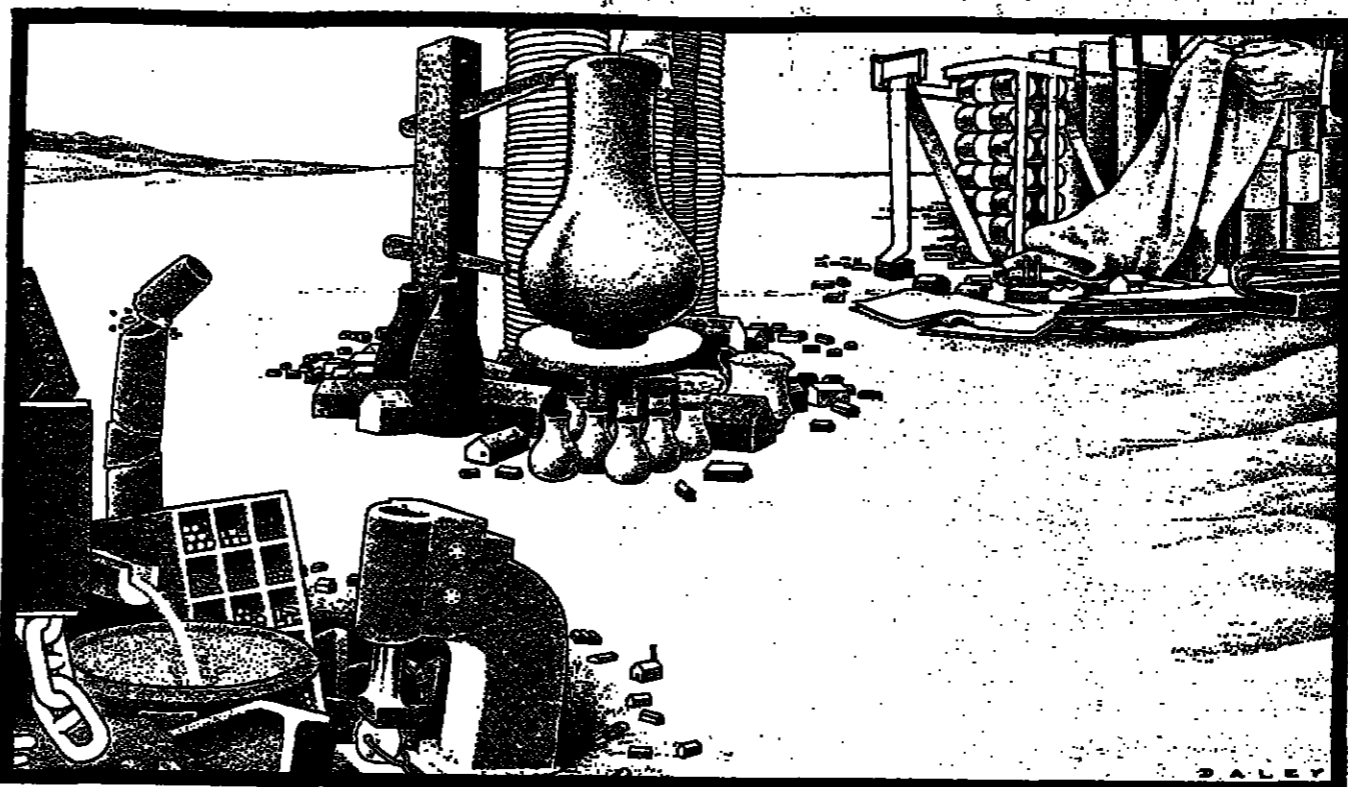
"A S I rose through the union movement," says Bill Jordan, likely to be the president of the Engineering Union...

This explains a lot of the industrial relations problems. If you're playing against a weak team you're going to score a lot of goals...

Larger questions Certainly the UK needs companies, of which ICI is an example, which are world leaders in their industry...

Walk up through the Soho district of England's second city, where the Soho workhouse and Boulton fame is now owned by Avery (part of GEC)...

Walking away from the new Jerusalem



INDUSTRIAL RIDES (4) Birmingham to Manchester

By John Lloyd

Tommy MacPherson, Birmid's chairman since 1979, says the company's overwhelming dependence on foundries when he came into the job has been reversed in seven years...

John with his two pennyworth on the decline of UK industry. In a speech to Cambridge University Industrial Society in January, he asks: "How can it not be a terrible shock to any one living in a real world to know that this country now imports more manufactured goods than it exports..."

It worked for Renold: output has not recovered to 1970s levels but its network of international dealers kept it afloat through the worst...

Steve Cadney, who is the managing director, does not appear to be a late 20th century grubby little unit on an industrial estate...

He thinks his idealism has been rewarded: "The company wouldn't have made it if it weren't for the fact that if people hadn't worked for very little..."

It will be an effort just keeping Manchester (unemployment 15 per cent) going for the future: the Royal Exchange is gone, the big offices which dominate its Piccadilly centre are thinking of moving out...

It is seven expanding Arnold mills of Wills. Fabrics, a diminutive man with a Scargill haircut in a big, gloomy office behind Piccadilly, has just opened a new high tech mill in devastated Rochdale at a cost of £10m...

Wills, proud of a business which now employs some 2000 workers, has been up from nothing and which his sons have now inherited. He does not look like a modern industrial giant either...

The US - Soviet dialogue

FIVE MONTHS after the brief honeymoon, in public relations terms, of the summit between President Reagan and Mr Mikhail Gorbachev...

After extended talks between Mr Reagan and Mr Anatoly Dobrynin, the departing Soviet ambassador, it appears that preparations for a second US-Soviet summit in Washington...

Political perceptions Yet the evidence so far is that the Soviet negotiators in Geneva have not been pressing vigorously forward on this front...

Conversely, the US is over-reaching itself by insisting that human rights and regional quarrels must receive equal billing with arms control in any US-Soviet summit...

Symbolic significance More time will not by itself create the conditions for a successful summit, however; that will require serious evidence of a will to make progress on the issues under contention...

"Rambo of US diplomacy"

"Petulant, impertinent and interfering," trumpeted one newspaper. "A worthy representative of everything negative about the US Government..."

Before taking up his appointment, Gavin, whose mother was Mexican, was best known in Mexico for his part in a series of advertisements selling Bacardi rum.

Gavin's defenders credit him with restraining his Washington masters from venting their full displeasure on Mexico. But local politicians and press found him patronising and pre-emptive.

Men and Matters

Party (PFI) even called for him to be declared persona non grata.

Gavin's contacts with the right-wing opposition, business and the Church, upset the nationalistic local establishment though such contacts are considered routine for any other ambassador.

Turkish delight The silver otter award of the British Guild of Travel Writers swam into muddy waters yesterday.

In a postal vote members chose Turkey as the first prizewinner for this coveted annual trophy. The winning subject was the restoration of the old Ottoman fishing harbour at Antalya with a renovated mosque, caravanserais, and a hotel in the palace of a former pasha.

So Peter McGregor Eadie, the guild chairman, presented the trophy to Turkey, second prize to Egypt for its Pharaonic village on the Nile.

Manager militant Brian Taylor, the no-nonsense managing director of Wardle Storeys, is the stuff of Industrial Society nightmares.

Softening for a moment, he adds: "This may all sound harsh, but life has not done us any favours. Perhaps Alistair Graham, the new director of the Industrial Society and fresh from battling with civil service militants, should have a word with the management militant."

Stormy weather

Bill Giles, the senior BBC weatherman, wants to recruit a woman meteorologist with a skin thick enough to withstand the criticism which has been hurled at previous women TV forecasters.

They get so much more stick than us—we can wear the same suit every day and nobody will even notice.

Discredited Overheard in Chelsea: "He said he was an artist, but he couldn't have been much good—his bank manager wouldn't even let him draw a cheque."



"Mum—it's the Falham by-election's answer to 'Clint Eastwood'."

Advertisement for GBEL watches, featuring the text 'Les Architectes du Temps' and 'Watches of Switzerland Ltd HOROLOGISTS' along with an image of a watch.

Handwritten text at the bottom left of the page.

# Cutting the Swiss web

"FOR A lawyer," says Mr John Sturt, who is trying to crack the biggest insider trading ring ever tackled by the Securities and Exchange Commission in Washington, the Santa Fe case has taken four years of painstaking detective work to complete. It has cost the SEC "hundreds of thousands of dollars," absorbed a great deal of the time of four or five senior lawyers, and stretched far beyond the US to establish links between a network of international investors with interests in Britain, France, Switzerland and the Middle East.

In the process, the investigation has also breached the virtually impenetrable screen of the Swiss banking secrecy laws. Very early in the case, says Mr Sturt, "we found that all the leads for a group of purchasers of Santa Fe options led to Swiss bank accounts." It took the SEC three years to reach high court in Switzerland and a monumental effort of evidence gathering to convince the Swiss that there was a case to be answered.

The investigation of the "unknown purchasers" of the SEC's enforcement division, began in October of 1981, immediately after the takeover of Santa Fe International, a California oil and gas engineering and services company, by the Government-owned Kuwait Petroleum.

Santa Fe was acquired at a whopping premium to its pre-bid price of \$100 a share to \$150—a yielding rick pickings for its shareholders. But what attracted the SEC was that several of the investors in the company had bought heavily in the few weeks preceding the offer, concentrating particularly on the options market where a relatively small outlay of cash can reap heavy returns. Investors in the high-end options were reckoned to have made average profits of 1,300 per cent.

Within days, five different investigations were launched against Santa Fe investors. Many of these shareholders were vulnerable to the normal investigative processes of the SEC—and quite a number of them were soon caught. The "unknown purchasers," however, were a

different matter. The SEC dug in for a long battle. Almost immediately it went to the US courts and obtained an order preventing a repatriation of the profits generated for the Swiss accounts. But past history demonstrated that it would be difficult to winkle out the secret information from the Swiss.

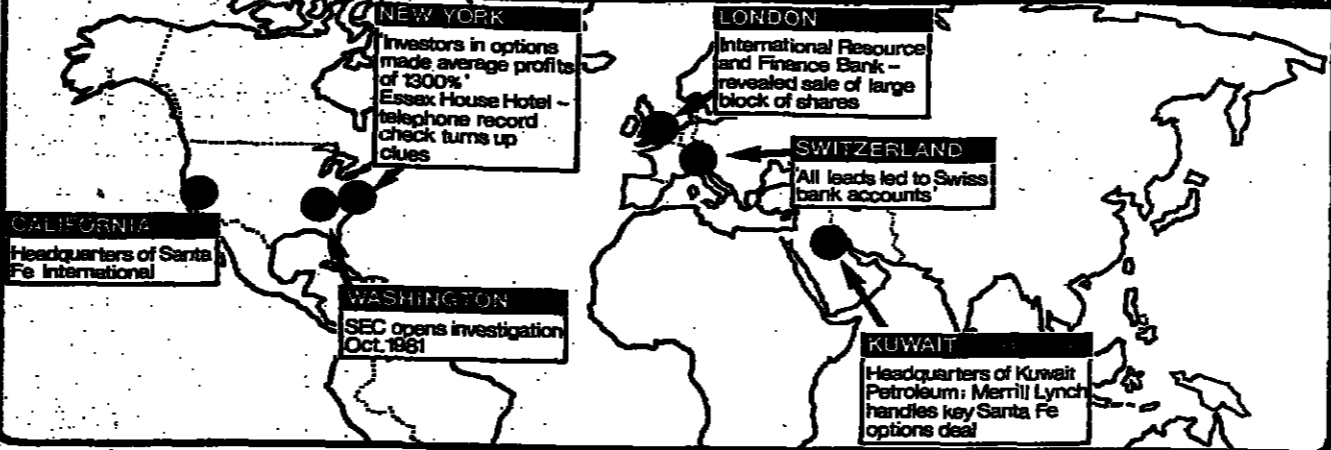
Mr John Fedders, head of the SEC's enforcement division at that time, decided on a novel appeal to the Swiss—the use of a 1977 treaty on mutual assistance in criminal matters to lever the information out of the banks.

A forceful exponent of the case for international co-operation to enforce fair trading in securities, Mr Fedders registered an early victory with his tactics when the lower court in Switzerland, the Office for Police Matters, supported an SEC request for information from the Swiss banks. The ruling was immediately appealed to the

high court. "On January 26, 1983, the Swiss Federal Tribunal reversed the police order without giving any reason at all. It was a devastating blow," says Mr Sturt.

By then, however, the SEC investigators had had their first breakthrough—more than 4,000 miles from Washington. In the process of examining trading records of US broking houses they came across a large acquisition of options in Santa Fe stock. The options were held by Merrill Lynch, the large US securities company. The circumstances of the investment immediately raised eyebrows at the SEC. According to Mr Sturt, the investor, Mr Faisal Al Masoud Al Fuhaid, a businessman living in Kuwait, had opened the account just to place the order, buying the options on September 22, only days before the announcement of the bid. Mr Fuhaid's name was the

## THE SANTA FE INSIDER TRADING SCANDAL: A COMPLEX TRAIL



first piece in a jigsaw of identities that was meticulously pieced together, over many months by the SEC team. The next big breakthrough came from an unexpected direction, when Mr Nasser, a non-executive director at Santa Fe, suddenly came forward and revealed that he had secretly purchased options in the company's stock.

Later, under a formula in which he neither admitted nor denied the charges—a technical process designed to prevent future civil charges—Mr Keaton settled an SEC case brought against him, giving up profits of more than \$280,000. But the real significance of Mr Keaton's identification only revealed itself after some time when it became clear that he had a number of links with overseas businessmen, particularly Mr Costantini Nasser, a Jordanian-born Lebanese executive who turned out to have made options purchases worth an alleged \$3.5m.

The evidence came out in a haphazard manner, but gradually the SEC was able to sketch out a complex picture of trading activity.

First, says Mr Sturt, the investigators learned that Mr Fuhaid knew and was able to reach an out-of-court settlement. All the profits that the SEC had frozen, plus interest earnings, were handed back by a "silent purchaser," using the formula of neither admitting nor denying the charges.

At the SEC, hopes of a broader, multi-national agreement do not appear high. This may be because the issues raised by insider trading are most acute in the US, where the marketplace is more widely policed than elsewhere, and where the sheer volume of recent takeover activity has created ample opportunities for gain. Yet if the globalisation of the securities business is to continue, other countries are bound to feel similar pressures to those that have led the SEC to cast its surveillance net over an ever broadening area.

Second, it was eventually discovered that Mr Nasser had had some involvement in directing Santa Fe's options. According to the SEC this connection arose out of a detailed examination of the International Resource and Finance Bank, (IRFB), a banking group which operated out of London and had attracted suspicion because of a large options purchase in September.

# How 'big fish' escape

THERE HAVE never been so many opportunities to make illegal profits in the UK stock market by using inside information about a company's financial performance or its takeover strategy.

And it has never been easier for the directors of a company, its merchant bankers, lawyers or accountants, to get away with it. Insider dealing was made a criminal offence in the UK in 1980, the inability of the legal machinery to bring miscreants to justice has become a source of considerable embarrassment to the Government and the City. Over the last six years, although the Stock Exchange has launched full-scale investigations into suspicious price movements in nearly 900 cases, prosecutions have been brought in only five, against eight individuals described by the Stock Exchange as "small fish".

At the same time, making insider dealing a criminal offence has led the Stock Exchange to abandon its own time-honoured investigations into illicit deals which carried the sanction of a public condemnation of offenders.

The scale of insider dealing appears to have increased sharply, largely as a result of the upsurge in takeover bids over the past 18 months. The Stock Exchange estimates that about 80 per cent of suspected insider deals occur immediately before or during a takeover bid, where the profits potential from holding the shares in the target company is substantial.

On average, the final price offered by a bidder for shares in the target company has been 30 per cent higher than the price a month before the bid was announced, according to an analysis of takeovers during 1985 carried out by Acquisitions Monthly.

Among the more dramatic price movements in the seven days before a bid have been a 20 per cent rise in the shares of Arthur Bell before the bid from Guinness and an 18 per cent rise in the shares of Currys before the bid from Dixons.

The Stock Exchange is investigating a sharp rise in the share price of Home Charm before the bid from Ladbroke's.

In many cases, a sharp price rise is not the result of an abuse of inside information. For example, a stockbroker may encourage heavy buying into a company on the basis of an analysis of its assets or an understanding of the corporate strategy of potential predators.

Suspicion is increased, however, when large deals are transacted through nominee accounts in offshore banks or through dealing companies in Liberia or the Caribbean, and the ultimate beneficiary is never disclosed. The Stock Exchange's surveillance department has confronted about 50 such cases over the last few years.

Of the main groups which have access to inside information, merchant banks have gone the furthest in introducing security measures. Codenames for example are often used when talking about bids.

In solicitors' and accountants' offices, however, the atmosphere is often more relaxed, and price-sensitive information may be mentioned casually to partners not directly involved.

In the City's new regulatory structure, as envisaged in the Financial Services Bill, two measures will be taken to improve the chances of tracking down and punishing insider dealers. The Department of Trade and Industry inspectors will be given more powers and resources to interrogate suspects and collect evidence.

The DTI is also pinning its hopes on the recommendations made in January by the Government-appointed Roskill committee on fraud trials. It called for sweeping changes in the rules of evidence and procedure. The reforms would facilitate the use of photocopied documents and overseas witnesses and force the defence to outline its case at an early stage in the trial.

But it will be a long time, if ever, before investigations in Britain are conducted on the lines of the US Securities and Exchange Commission (SEC). While looking for possible channels along which misused information could pass, it can draw on a computer databank which is believed to record anything from golf club membership to the school background of those

## Clive Wolman in London on why it is so easy to get away with illegal profits in the UK stock market

Judges in the UK have not extended the civil remedies to allow claim for compensation from anyone who was buying shares at too high a price through the stock market at the time when the insider was dealing with the benefit of the inside information. In contrast, over the last two years, the Securities and Exchange Commission has used the threat of a civil action to force insider dealers to hand over their profits. It has then sought out the investors who were damaged to give them compensation from the proceeds. The SEC is allowed to bring civil actions against offenders in its own name.

The Stock Exchange is reluctant to play a similar role by using the information its surveillance department has gathered to bring a civil case against an insider in the names of injured investors.

The other advantage possessed by the US authorities is that they can go outside the US to investigate bank accounts and interview witnesses more easily than their UK counterparts. Only recently has the UK Government agreed in principle to participate in international mutual assistance agreements which would facilitate the collecting of evidence overseas.

## The future of steel

From Dr J. Kay  
Sir, Mr John S. Craig (April 9) is right. The prospect of privatising BSC in its present form as a monolithic corporation are minimal. This is indeed one of the reasons why BSC pursued its disastrous policy of central control from 1972 onwards under the pretext of the "economies of scale."

The necessary first step is to split up the corporation into separate, geographically based steel-making companies covering South Wales, South Yorkshire and Humberside, Teesside, and Scotland. While none of these entities would be immediately viable as a normal profit-making business, each would be more manageable and would be able to offer the customer a choice between at least two alternative UK sources of supply for the main range of steel products.

There is one other immediate step, however, that could be taken by the Government within the lifetime of the present Parliament to introduce a first stage of privatisation. The cold-rolling and strip finishing plant at Shotton could be conveniently split into any of the four geographical groups mentioned above, but it is a successful and profitable plant which could stand on its own feet as a separate company distinct from the four steel-making groups. This in itself would introduce a healthy measure of

## Letters to the Editor

competition since Shotton could purchase a controlled coil from either Westwales or South Wales. Let us have legislation to set up John Summers & Sons (1986) plc.  
(Dr) John M. Kay, Church Farm, St. Briavels, Epsom, Gos.

**Profit-sharing solutions**  
From the Deputy Managing Director, Mercer-Grant Simmonds  
Sir, The presumption of Dr Copeman's letter (April 4) is that a "profit-sharing" bonus of 10 per cent has to come wholly out of unchanged profits. But if there is a trade-off—basic pay increase being less than it would have been without the new bonus scheme—then at least some of the bonus will be paid for by saving in payroll cost. By phasing in the new bonus scheme over two or three years, most of the cost of the bonuses could be covered in that way, and the extra cost need not exceed the conventional 10 per cent of profits. The inducement to the employees to accept such a trade-off would be the 10 per cent (or

whatever) of profits which they would not otherwise have received, plus whatever tax incentive the Chancellor allows. The inducements to the employer to introduce such a scheme, and to grant such share of the profits, are of course, the much greater flexibility and the cost-cutting features which it offers.

We commend the Chancellor's initiative in this matter. I hope that Dr Copeman, and others who are concerned about the problems of employment cost, and unemployment, to which the initiative is a response, will join with us in urging the Chancellor to hold out and to provide really significant tax-incentive to help overcome objections to such schemes.  
Don Gorman, 4, Southampton Place, WC1.

**Acting unpaid curators**  
From the Honorary Secretary, Heritage in Danger  
Sir, Lord St Oswald (April 7) refers to the widely held but erroneous view that families who have been forced through the incidence of capital taxes to hand over their houses to

the National Trust are "living on NM charity."

That this belief is wholly untrue is demonstrated by Lord St Oswald. May I add that as far as Heritage in Danger is concerned our strongly held conviction is that those families who continue to live in their historic homes under the ownership of the National Trust are of importance to the preservation and conservation of our national historic and artistic inheritance.

In truth, for the most part, they are simply unpaid curators of some of our most beautiful artefacts and buildings.  
Hugh Leggatt, 17 Duke Street, St James's SW1.

**Fame and industry**  
From Mr M. Calman  
Sir, Mr Iain Baillie (April 5) aptly draws attention to "Who's Who"'s reflection of the UK attitude towards industry and commerce. Even more indicative of this concept is the honours list. One of the most important, "The Most Honourable Order of The Bath" is for public servants, civil and military, while very much down the line "The Most Excellent Order of The British Empire," normally given to those in industry and commerce. Furthermore, public servants fit of the correct rank automatically receive an honour whereas those in industry and commerce have to earn theirs!  
Montague Calman, 1c, Carlisle Place, SW1.

## No coherent response to Mr Gorbachev's proposals

From the Chief Editor, Western Europe  
Sir, Washington and London have been unable to formulate a positive, coherent response to Mikhail Gorbachev's statement of January 15, in which he outlined proposals for negotiation aimed at eliminating all nuclear weapons by the end of the century.

Ian Davidson (March 24) seeks to rationalise this inability by characterising the Soviet plan as "not serious" and intended solely for atmospheric purposes. Yet this fails to face up to the realities of the issues raised.

It is argued that Mrs Thatcher can make no guarantees regarding Britain's nuclear weaponry until both "superpowers" pledge not to improve their arsenals. In fact, it is the Soviet Union which is standing firm in support of the ABM treaty, while it is the United States which is speculating on its renunciation and preparing to breach with the development of "star wars." Mr Davidson rightly points out

that a ban on the deployment of such systems would be essential for the "tightening up" of the ABM system which he describes as a prerequisite for British action on nuclear disarmament.

Why does Britain support Washington's "star wars" plans if the effect of them is to block the road to the disarmament it professes to desire?

Mr Davidson points out that only a major reduction in strategic nuclear missile forces would induce the US to abandon "star wars." Yet that is precisely what is on offer—a 50 per cent reduction to be followed by still deeper cuts in strategic weaponry with their abolition as the final prospect.

What is truly "not serious" is the view that the Soviet Union can negotiate strategic weapons reductions with the US while blithely ignoring the build-up of the self-same weapons in the hands of Britain and France, close allies of Washington.

The Soviet proposals do not ask of Britain that it abandon its nuclear weapons, simply that it does not modernise them and increase their number at the same time as the two great powers are negotiating cuts. And in return for this restraint, and the removal of Cruise and Pershing missiles from Europe, the USSR will withdraw all its SS-20 missiles from Europe.

Does Britain have any serious intent of playing its part in nuclear disarmament? Does it have an independent diplomacy to match its "independent deterrent?"

The British Government and, it seems, Mr Davidson, are trapped in a vicious circle of their own logic. No British arms cuts without a watertight ABM agreement. No ABM agreement with "star wars." No abandonment of "star wars"

without major strategic weapons cuts. No major strategic weapons cuts without some degree of British self-restraint with its own strategic weapons, which is impossible without an ABM agreement, etc.

Last year "star wars" was touted as the means of rendering nuclear weapons obsolete, yet this year London and Washington suddenly rediscover that nuclear "deterrence" is essential for their security. Faced with this kind of shifting argument it must be asked if anything the US or Britain advance is seriously intended for negotiation?

The Soviet Union is not asking Britain to take any unilateral steps to undermine its security. Every act of arms control or disarmament by the NATO powers will be fully reciprocated by the Soviet Union. Equality and equal security form the foundation of the Soviet government's proposals.

What is lacking so far is the political will in the west to negotiate.  
Vadim Nedbaev, Zubovskiy Boulevard, Moscow.

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**JOB**

# How to destroy a barrier to prosperity

BY MICHAEL DIXON

WHICH annual event mars the life prospects of at least two in every three young British citizens at a cost to taxpayers of over £40m?

The answer is the public 16-plus examinations. What those exams are is of course well known to all in Britain, especially now the two biggest teachers' unions are threatening to disrupt them. But the term may puzzle readers in other countries which manage perfectly well without subjecting 16-year-olds to trials of their academic knowledge which are set and marked outside the schools they attend.

An example is West Germany which, apart from an exam specifically geared to choosing a minority of entrants to university and the like, mainly leaves teenagers' attainments to be assessed by their own school.

Oddly enough their scholarship does not seem to suffer. The mathematical proficiency of Germany's less academically inclined school-leavers, for instance, seems far better than that of their counterparts in the United Kingdom. Another thing which does not seem to suffer from Germany's easier-going attitude is the performance of its economy.

But we in the UK do not indulgently flinch from determining our mid-teenagers' life-long prospects by public tests

of their scholarship. We have a set of tests for those in Northern Ireland, another for the Scots, and currently two sets for those in England and Wales—although the Government plans to merge the two sets into one in 1988 unless the two main schoolteachers' unions in England and Wales prevent it.

While hard to exaggerate, the importance we give to 16-plus examining is fairly easily illustrated.

For three successive years we have mostly stayed calm while our central Government and the local authorities directly running state schools have let teachers' unions wreck children's day-by-day education wholesale. But now the unions threaten the yearly exam process all hell seems liable to break loose.

That shows where our priorities lie all right. It also shows a devotion to the examining ritual that is likely to get any Briton who questions it branded as mad. Even so critics are occasionally to be found, especially among the few citizens who have looked at all deeply into the question.

Take for example the state's educational inspectors. Like teachers, they mostly think the public exams valuable for singling out the minority of pupils well enough aptitude for and interest in academic study

to have a fair chance of completing a degree course. But many inspectors as well as heads and staff of even the most academically successful schools also think that the exams severely hinder, if not prevent, the development of the bulk of the child population.

The effect is that virtually all pupils are led to concentrate unduly on academic kinds of study throughout their years of secondary schooling, and often even earlier. Such is the pressure on schools to get every possible 16-year-old some sort of grading in the public exams, that little attempt is made to identify and develop the strengths of the majority of children whose intelligences run in directions other than the academic.

Instead of having a chance to find they are good at something and so of being motivated to get better at it, such children are condemned to the relentlessly demotivating experience of being made to do only a narrow range of things they are bad at.

The main blame lies with employing organisations which more and more insist on success in academic examinations as a precondition of even considering a young candidate for a skilled job. The employers' insistence is noted by parents who in turn insist that schools concentrate overwhelmingly on

studies directed towards the public exams.

The daft thing is that, as far as I can see, the main reason most employers recruit only people with exam passes—even at degree level—is not that they are usefully motivated or competent to do anything in particular. The reason is just that those without exam success seem demotivated and incompetent to do everything in general.

That may have mattered little until recently. The relatively few literate and numerate youngsters could count on clerical work perhaps leading to management. The turned-off many could usually find ready-made jobs largely consisting of routinely following instructions handed down by the minority of intellectual planners and so on at the top of the organisation.

But I am increasingly assured that, in the western world at least, it will no longer do to have an educational process which turns out a minority more or less equipped to think in an abstract way on the one hand, and a majority suited at best to semi-skilled work on the other.

It is probable that there will be fewer and fewer full-time jobs in organisations. Nor will those which are doing well into some requiring skilled thinking but not practical know-how, and others demanding virtually no abstract thought. For a growing number of people,

earning a fair living will depend on their being able to generate employment for themselves which will also require both practical and intellectual skills.

The exam-passing-and-failing system, which in the UK masquerades as an education system, is utterly out of date.

The changes in the 16-plus ritual which the biggest teachers' unions are jeopardising represent a step towards adjusting it in line with children's real-life needs. It is a tiny step. Even if it were taken now the overconcentration on abstract-type thinking would continue into the late 1990s at a minimum.

Fortunately, however, the unions' threat presents the nation with the chance of a swift and complete solution on the following lines.

Precisely half of us should vociferously back the Government's insistence that the change will be made and only the new form of exam will be held in England and Wales in 1988. The other half should equally vociferously back the unions' insistence that the change will not be made and pupils will be prepared only for the old *f.r.m.*

As a result, no 16-plus of any form could be held in 1988. And if the nation could just kick the exams habit for one year we should doubtless find that,

like West Germany among others, we managed as well if not better without them.

## Sales abroad

HEADHUNTER Tony Neville seeks a successful go-getting sales and marketing manager for the Cyprus-based Middle East division of a fast-moving consumer-goods group. As he may not name it he promises to abide by any applicant's request not to be identified to the employer at this stage. So does the other recruiter to be mentioned later.

Candidates should have done similar work in the region and preferably have appropriate language skills. Salary £29,000-plus tax-free with usual expatriate perks. Inquiries to 31 Castle Street, Farnham, Surrey GU9 7JB; telephone 0252 711311, telex 558902 Baron G.

A PERSONAL assistant with City experience and a financial qualification is wanted for the head of a retail group by recruiter Brian Stranding (83 Wycome Road, Marlow, Bucks SL7 3HZ; tel 06284 5931, telex 847159 Marlow G).

The prime task is identifying worldwide opportunities for acquisition and other growth. Base is London. Salary about £20,000 with car among other benefits.

**UK Merchant Bank**  
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**Salary: £16 - 20,000**

Our client, a leading UK Merchant Bank, is currently seeking to recruit two high calibre individuals for its Banking Division.

Successful applicants will be graduates in their mid-twenties with 2-4 years' experience in an international or merchant banking environment. Preference will be given to those with a knowledge of capital markets products, Northern European markets and fluency in one or more foreign languages.

Candidates interested in furthering their career within a prime institution should contact Fiona Collins on 01-404 5751 or write to her, enclosing a comprehensive CV, at 39/41 Parker Street, London WC2B 5LH, quoting reference: 3618.

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**BADENOCH & CLARK**  
**CORPORATE FINANCE ANALYST**

Our client, **Rowe and Pitman**, is one of the leading U.K. Stockbrokers. On their behalf we are looking for a research analyst to develop a new role in support of its corporate finance department.

Applicants, in their mid-20s, will ideally have an economics degree and/or formal accounting qualifications. They should be fully trained in interpreting financial accounts and familiar with a wide range of business sectors. An ability to produce assessments rapidly and accurately is essential, as is a fast and elegant writing style. It is likely that applicants are currently working as stockbroking analysts, bank credit analysts or industrial strategists.

The salary will be highly competitive and will attract a full range of banking benefits, including mortgage subsidy.

Please telephone for further details or send a detailed career history incorporating, in particular, evidence of innovative initiatives or research to **Robert Digby** at the address below.

Financial Recruitment Specialists  
 16-18 New Bridge St, London EC4V 6AU  
 Telephone 01-583 0073

**TREASURER**  
**Building Society - Leeds**

Leeds and Holbeck has assets exceeding £540 million and 70 branch offices located throughout the United Kingdom.

We wish to appoint a Treasurer to our Senior Management group, to be responsible for the management of the Society's liquid funds and wholesale funding requirements. As the funds responsibility currently extends to some £150 million, we are looking for a person who possesses experience in this field, but not necessarily with a building society.

Building societies are likely to be given wider powers under the forthcoming legislation, and there will be opportunities for career development and progression to higher levels in our Management structure.

The preferred age range is 25 to 40, and the applicant should possess, in addition to appropriate experience of dealing in Government Securities and money market investments, a high degree of self-motivation, and preferably an appropriate professional qualification.

We offer an attractive financial package, including the benefit of a subsidised staff mortgage scheme, free life assurance cover and free BUPA membership.

Applicants should send a full CV, including age and present salary in an envelope marked "Staff - Confidential" to:

A. E. Stone,  
 Director & Chief General Manager,  
 Leeds & Holbeck Building Society,  
 Holbeck House,  
 105 Albion Street,  
 Leeds LS1 5AS

**LEEDS & HOLBECK BUILDING SOCIETY**

Personal Financial Products  
**Manager-Brokerage**  
 UK/Saudi Consortium Riyadh

Our Client is the international arm of one of the largest Unit Trust and Financial Services groups. They are setting up a brokerage operation in Saudi Arabia in partnership with one of that country's leading retail banking groups which itself has considerable international British connections and operates through forty branches.

The job will be to recruit and train a small sales and support team and this will expand to around fifteen people in due course. Products will include contractual savings, unit trusts, life insurance, pensions, and portfolio management. Sales will be both to the Expatriate and Arab markets. The new operation is likely to benefit considerably from local links provided by a developed branch network.

The job calls for an outstanding thirty/fifty year old experienced Manager who, in addition to a developed knowledge of insurance products, has some knowledge of investment. The job could well appeal to a person who has been running his own brokerage operation and the skills sought include management, administrative and client handling, together with an in-depth product knowledge. Experience of working overseas is by no means essential.

A generous remuneration package is obviously envisaged and earnings during the first year are budgeted to be in excess of £60,000 plus the usual expatriate benefits such as housing, car, schooling, air travel etc. Longer term prospects could be within the international arm of our Client.

Please write in confidence to Colin Barry, quoting ref. 727, at Overton Shirley and Barry, Prince Rupert House, 64 Queen Street, London EC4R 1AD. Tel: 01-248 0355.

**Overton Shirley & Barry**  
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**PARTNER'S ASSISTANTS**  
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 Heseltine Moss & Co.  
 30/31 Friar Street  
 Reading RG1 1AH  
 Please indicate preferred location with application

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**LENDING MANAGER** to £30,000 plus car  
 One of the City's leading banks is seeking a new manager to head its Europe, Middle East and Africa division. This post is suited to a seasoned lending manager, in his or her late thirties or early forties, who can bring innovation, increased profitability and experience to this important area of the bank's activities.  
 Please contact David Little

**FINANCIAL CONTROLLER** to £25,000  
 Our Client, a Regional American bank, have an opening for a Financial Controller. Applicants aged 30/40 must have a strong accounting background gained from international banking in the City. In addition to the normal duties commensurate with the seniority of this position the successful applicant will become heavily involved in the changeover to a Kapill software system and relative Kapill experience will be a plus.  
 Please contact Brenda Shepherd

**FINANCIAL FUTURES SALES** Sneg plus bonus  
 Our Client, a leading American investment bank has an opening for a person 25/35 at least 2 years experience gained from within a financial futures sales environment. Candidates should have previous institutional sales experience and further training will be given covering U.S. based financial futures i.e. Eurobonds, Euroollar, U.S. Equities etc.  
 Please contact Brenda Shepherd

**CONVERTIBLES SALES/TRADER** Sneg. plus bonus  
 A highly respected name in the Eurobond market is currently seeking to recruit a Convertibles Sales/Trader with at least 4 years previous experience gained from within this field. For further details  
 please contact Brenda Shepherd.

**CREDIT ANALYST** c£15,000  
 To handle U.K. and European corporates and multi-nationals for an expanding international bank. A minimum of 5 years credit analysis experience from international banking is required for this role which will remain administrative rather than marketing orientated.  
 Please contact Paul Trumble

Ridgway House 41/42 King William Street London EC4R 9EN  
 Telephone 01-626 1161

Star Executives Limited has been retained to advise on the following position:

Our clients are **THE BURTON GROUP**, a company which has achieved an impressive record of growth and profitability in many spheres of retail distribution. As a result of recent takeovers and substantial re-organisation, they now wish to make the following London-based career appointment:

**ACQUISITIONS & DEVELOPMENT DIRECTOR**  
 Negotiable circa £50,000 per annum plus substantial benefits which include profit-related bonus, executive car, etc.

Responsible to the Chief Executive - Property this key position will involve total responsibility for property acquisition and development throughout **THE BURTON GROUP** which includes Top Shop, Principles, Debenhams, Dorothy Perkins, Burton Menswear, Harvey Nichols, Top Man and other leading retail companies. The main tasks will be to identify and purchase on the most advantageous terms new retail outlets for all divisions, to supervise property development using group and external sources, and to plan and develop major retail sites and shopping complexes. Areas of responsibility include negotiations at the most senior level with external financial, legal and property organisations, local authorities and agents, and the development of the appropriate managerial and technical staff.

The successful candidate will be a seasoned professional who has acquired an outstanding record of success with the property division of a major retail group or property-based commercial organisation. He/she will be able to demonstrate an ability to think conceptually, formulate business plans, negotiate and communicate at all levels and direct various teams towards the achievement of clearly defined objectives. Coupled with these skills, candidates must have vision, energy and acute commercial awareness. A sound academic background, ideally to Degree level is preferred, plus either F.R.I.C.S. or F.S.V.A.

**THE BURTON GROUP PLC**  
 Please contact in absolute confidence, Craig Vidler, Managing Director, (CV4/296), Star Executives Limited, 184/188 Oxford Street, London, W1N 6AJ. (Entrance and Reception 28/30 Market Place.) 01-580 0843

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Our client is a very profitable Commercial Bank based in the City. Its main business has historically been in lending, trade financing, and treasury with a heavy bias towards the Middle East.

Following the decision to launch and develop a separate private client business, we have been retained to recruit a Senior Manager to be responsible for the project.

It will involve the provision of investment advisory, financial and taxation planning, and banking and treasury services to high net worth individuals around the world.

You are likely to be in the late 30s/40s, possibly with a professional qualification, and experienced in giving private clients a comprehensive range of investment and financial advice. Terms include a negotiable salary up to £50,000, bonus, car, and full range of banking benefits.

Please send a detailed c.v., including daytime telephone number, in strict confidence to Peter Wilson, FCA at Management Appointments Limited (Search & Selection Consultants), Finland House, 56 Haymarket, London SW1Y 4RN. Tel: (01) 930 6314.



## Jonathan Wren

### DIRECTOR - CORPORATE FINANCE

Salary negotiable

Our client, a leading Australian investment bank, in addition to offices throughout Australia, has long established offices in London, New York, Hong Kong, and Singapore. The level of our client's international corporate finance work dictates the need to appoint a highly accomplished Director - Corporate Finance, who will be located in the London office and report to the division head in Sydney.

The appointee will be involved in a wide range of assignments, including advising both Australian groups expanding into Britain and Europe, and British companies regarding establishment, potential acquisitions, funding requirements etc. in Australia.

Applicants will be graduates, or possess a relevant professional qualification. An excellent knowledge of corporate finance in Australia and/or the United Kingdom, and a sound understanding of global capital markets is essential. It is intended that the appointee will spend an initial familiarisation period of up to one month in Australia. Contact Brian Gooch.

All applications will be treated in strict confidence.

SYDNEY

## Jonathan Wren

Recruitment Consultants

170 Bishopsgate, London EC2M 4LX. Tel: 01-623 1266

HONG KONG

# Senior Actuary Health Insurance

Bournemouth

Health First, a leader in the field of medical health care insurance, has recently moved to Bournemouth into a prestigious, centrally located office complex.

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Due to rapid growth and pro-active business planning a need is apparent immediately for a Senior Actuary, reporting to the Board, to control and

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This rare opportunity will be offered to an actuary who wants to play a major part in a growth company. Previous health insurance experience is not an essential prerequisite.

The position offers excellent salary plus company vehicle and employment package. A relocation package is available should circumstances warrant.

Please direct application with full curriculum vitae or telephone to: Stephen M. Hall, Personnel Manager, Health First, Richmond Hill, Bournemouth BH2 5EQ. Tel: 0202 294464.



## COMMERCIAL MANAGER? CHIEF QUANTITY SURVEYOR? CONTRACTS EXECUTIVE? SUBCONTRACT CO-ORDINATOR?

London Area

c.£25,000

- Our Client, a major Company within one of the most prestigious industrial engineering groups in the UK, has a senior management appointment within the London area which would suit an executive currently in one of the above positions.
- As Commercial Manager the successful candidate will be responsible for the control of contract values and costs at company level, and through operational staff at project level. The person appointed will lead a small team in a range of pre and post contract activities, to include contract vetting, advice and guidance to project team management, and the preparation, negotiation and settlement of claims.
- As essential requirements, candidates must offer an appropriate academic or professional qualification, but this may range from quantity surveying, law or accountancy on the one hand to engineering on the other. They will, however, be commercially orientated and highly motivated individuals with an incisive and analytical approach to anticipating and resolving complex problems.
- Candidates should be familiar with the various forms of contract used in the construction industry, and be able to negotiate with both clients and subcontractors.
- Prospects exist for advancement to the highest level for the exceptional individual who has the ability to communicate with tact, the personal qualities to lead by example, and a developed sense of creativity.
- The remuneration package is negotiable and will reflect the seniority and importance of the position. A full curriculum vitae should accompany written application addressed, in strictest confidence, to:

J. HAYES - Ref. TH 139, International Recruitment Consultants, Suite 545, Chancery House, 53-54 Chancery Lane, London WC2A 1QU.

## Company Secretary

Designate Major UK p.l.c.

Our client is a profitable, £500 million UK p.l.c. with diverse activities operating internationally. Due to an impending retirement we seek an accomplished Company Secretary to join a well established department and capable of succeeding the present incumbent. The job is challenging and demanding and the responsibilities wide ranging.

Candidates will be aged 35-50, must have operated at a senior level in a diversified p.l.c. and possess a company secretarial, accounting or legal qualification. Experience in general office and office services management is highly desirable as is a deep understanding of the pensions, insurance, legal and registration functions and services in a dynamic public group.

An appropriate salary will be negotiated and the benefits package is good. Help with costs of relocation to a North Midlands base is available if required.

Candidates please write, in confidence, giving details of age, experience, qualifications and present earnings, quoting Ref 937/FT. No information will be divulged to anyone without your permission.

### CB-Linnell Limited

7 College Street, Nottingham. MANAGEMENT SELECTION CONSULTANTS NOTTINGHAM · LONDON

## Accounting Control Manager Unit Trusts

Major Financial Services Group Portsmouth

Schroder Financial Management provides an integrated range of financial services to individuals, partnerships and private companies. We currently employ over 600 staff based in over 20 locations in the United Kingdom.

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Reporting to the Head of Administration, this newly created position will involve responsibility for company and fund accounting, with particular emphasis on the development, implementation and maintenance of accounting controls. As a key member of the management team, the successful candidate will contribute towards strategic planning, development of new systems and procedures and general management.

The requirement is for a qualified accountant with at least 2 years relevant experience. In addition to accounting expertise, the role calls for an effective manager and administrator who is able to interact effectively with senior management within the Group.

In addition to a competitive salary, we offer a substantial range of benefits, which includes a Company car, mortgage subsidy, non-contributory pension scheme and comprehensive relocation assistance.

For further details and/or application form, please write or telephone:

C. M. Sealey, Group Personnel Manager, Schroder Financial Management Limited, Enterprise House, Isambard Brunel Road, PORTSMOUTH PO1 2AW. Telephone Portsmouth (0705) 827733 Ext. 335.

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Successful applicants will be over 30, mature, well organised and highly motivated towards company and personal success, initially as a Sales Executive with the opportunity of moving into Sales Management. Preferred experience will include selling - and ideally managing others to sell a financial service at board level.

If you meet these requirements phone me today.

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**MONEY MARKET MANAGER** £ Neg  
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A leading international bank is seeking to appoint a business development executive who is currently offering capital market products to UK corporates and who may also have a working knowledge of UK and European equities.

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Sun Life of Canada, one of the world's largest life assurance companies, has a vacancy for a Chartered Surveyor (or equivalent) aged about 30 years in their Property Investments Department. The job holder will report to a Company Officer and will be primarily responsible for the negotiation of new loans secured on a wide variety of commercial property throughout the U.K. An important activity will also include the effective management of the existing portfolio of securities. The ideal candidate is likely to have had extensive valuation experience in private practice, possibly also with a banking or insurance background. Whilst not essential, the ability to read and interpret Company accounts would be an advantage.

Company benefits are excellent and include a subsidised staff mortgage scheme and a non-contributory pension scheme.

If you are interested, please send a detailed C.V. to:—

Mrs Susan Hanington, Sun Life of Canada, 2, 3 & 4 Cockspur Street, London SW1Y 5BH Telephone: 01-930 5400 Ext. 121

SunLifeofCanada

## Hoggett Bowers

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### Merchant Banking

New Business Executives

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As part of its ambitious expansion plans this major Merchant Bank, a member of the Accepting Houses Committee, is seeking two outstanding executives as local representatives in Scotland/North East England, and Yorkshire/Lancashire.

Each will have the objective of increasing the Bank's business, both with existing and prospective corporate clients, offering innovative financial solutions and acting as the co-ordinator between the client and the Bank. The successful candidates will have a substantial record in City institutions or in company finance plus first hand knowledge of the economic and social life of the appropriate area. They are likely to be professionally qualified and possess the personality and authority to win the respect of the senior decision-makers in industrial, commercial and public organisations. Age is unlikely to be less than 35 years, relocation to the areas will be available, if required. Other benefits are excellent.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a personal history form to I. Duff, Hoggett Bowers plc, 1/2 Hanover Street, LONDON, W1R 9WB, 01-734 6852, quoting Ref:18115/FT.

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This portfolio involves over £100 million of Far Eastern Equity Funds, based principally in Hong Kong and Japan. You should have had some exposure to this market during your two or more years in Fund Management, and you should be able quickly to handle a position at this level, although you may need a period of orientation first. While you are probably still in your twenties, you should have the potential to run funds yourself within the near future.

Applicants should write with full career details to Susan P. Isett, ManuLife International, Investment Office, Broad Street House, 55 Old Broad Street, London, EC2M 1TL.

### TRAINEE FUND MANAGER

Any Fixed Interest experience you may have gained will help you make the most of the training we will give you in Eurobonds, the U.S. Fixed Interest and UK gilt markets.

Successful candidates for both positions will probably have graduate or professional qualifications. Salaries will be highly negotiable and the package will, as expected, include a variety of company benefits.



The Manufacturers Life Insurance Company

### ECONOMIST

The Fishery Economics Research Unit of the Sea Fish Industry Authority has a vacancy for an economist with a strong quantitative background. This is a new position with responsibility for developing models and undertaking forecasting studies for use by the Authority and the industry. The successful applicant who would join an established unit should offer appropriate post graduate qualifications and experience. The post is based in Edinburgh and the starting salary is in the range £13.5K to £14.5K. Applications with comprehensive CVs to: Chief Economist, Sea Fish Industry Authority, Sea Fisheries House, 10 Young Street, Edinburgh, EH2 4JQ.

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## Jonathan Wren

### INVESTMENT ANALYST c£25,000

A major international securities house is seeking to recruit a graduate, aged 23 to 40, to join their Japanese equity research team. Although experience of this specific market is not required, applicants must have two to three years' investment research experience within a stockbroking or institutional environment. They must also be able to demonstrate good market sense and imagination in generating sales ideas, present well to clients, and be willing to make regular visits to Japan to conduct in-depth research. In addition to the earnings level indicated, a 'banking' benefits package is available. Contact Roger Stears.

### SYSTEMS APPLICATION MANAGER c£20,000 + benefits

As a result of continued development and planned expansion within a leading international bank, an opportunity has arisen for an experienced Systems Manager. Applicants are invited from candidates, aged 28-40 years, who have developed a strong background in banking operations and related information systems, including Swift, IBM Mainframe and PC applications. Drive, enthusiasm and above average communication skills are essential. An attractive salary package and career prospects are offered. Contact Anne Fenwick or Norma Given.

### LEASING TECHNICIANS Salary negotiable

The increasing complexity of UK and international major asset financing has resulted in an urgent requirement for highly competent pricing/structuring specialists for two of our most valued clients. Applicants, aged 28-36 years, should be of graduate calibre with a minimum of 2/3 years experience of formulating big ticket transactions, negotiating associated documentation, etc., with the intention and capability of increasing their financial product knowledge and marketing involvement. A highly attractive remuneration package is offered in both cases. Contact Jill Backhouse or Peter Haynes.

All applications will be treated in strict confidence.

## Jonathan Wren

Recruitment Consultants  
170 Bishopsgate, London EC2M 4LX. Tel: 01-623 1266

## Foreign Exchange Head of Forward Trading

Deutsche Bank London Branch invites applications from seasoned dealers aged 28-34 who must have several years' active dealing experience in the forward markets. Ideal candidates should be self-motivated with creative and technical skills. In addition to a comprehensive knowledge of currency and money markets, some previous managerial experience is desirable.

This is an opportunity to join an expanding team of professionals with distinct career development potential, which will be supported by a performance-related salary, company car and the usual banking benefits.

Applications in strict confidence to:

Keith Cuthbertson  
Deutsche Bank AG  
6 Bishopsgate  
London EC2P 2AT

Deutsche Bank



## Forward Exchange Trader

City Based

The HongkongBank Group, with assets in excess of US\$ 60 billion, requires an experienced dealer for its expanding Foreign Exchange operation in London.

Aged about 30 with at least 5 years experience in forward trading against major currencies, you must be able to demonstrate your ability to communicate effectively in the market.

Clearly you must be a self-motivator, able to act independently, but you must also want to use your expertise as part of an integrated, developing team.

A highly attractive compensation package includes a competitive salary plus allowances, annual bonus, mortgage subsidy, non-contributory pension, BUPA and free lunch.

Please telephone or write for an application form to:

International Recruitment Officer,  
The HongkongBank Group,  
99 Bishopsgate,  
London EC2P 2LA.  
Tel: 01-638 2366, ext. 2922.

HongkongBank

The Hongkong and Shanghai Banking Corporation

## MORGAN STANLEY INTERNATIONAL International Equity Sales Institutional Research Salesperson

Morgan Stanley International expandiert ihren Bereich INSTITUTIONAL EUROPEAN EQUITY SERVICES. In diesem Zusammenhang suchen wir einen in London stationierten Salesperson.

Der erfolgreiche Kandidat wird die Verantwortung für die Betreuung von institutionellen Kunden übernehmen, mit Schwerpunkt auf den wichtigsten europäischen Aktienmärkten.

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### FRN Salesman £neg

Following expansion within the Capital Markets area of this International Securities House, our client seeks an experienced FRN Salesman to be responsible for the Japanese and Euromarkets. The ideal applicant will have already made a name within this market and have management potential.

### Traders \$highly neg

Major Investment Group is currently expanding its London operations by opening a Securities Division to offer a more comprehensive service to existing European clients. As a result they seek traders who have experience of European, Japanese and American markets including Bonds and Options. Knowledge of a European language will be advantageous.

### FX Dealer \$25,000

Rapid expansion of business within this U.S. City Bank has resulted in the need to recruit an additional spot dealing dealer. Applicants should be aged in their mid twenties with a minimum of three years dealing experience.

### Account Officer \$20,000

Our client is a leading French Bank in the City. Due to expansion they seek an Account Officer to be responsible for marketing the bank's products to non resident companies, particularly American. With a wide range of products on offer this position represents an excellent opportunity and good career move. Knowledge of a European language will be advantageous.

Rachel Knox 01-588 4306  
Moorgate Hall, 153/157 Moorgate, LONDON EC2M 6XB.

## Money Market Manager

Our client, a leading North American Bank, requires a high calibre manager to develop and control their money market portfolio.

This prime position demands flexibility and creative flair coupled with considerable experience in money market instruments such as CDs, Futures, Interest-rate swaps and US Treasuries.

A substantial basic salary with full banking benefits is offered.

For further details contact Andrew Waterworth on 481 3188 (and 381 6846 evenings) in complete confidence.

CHARTERHOUSE  
APPOINTMENTS

EUROPE HOUSE - WORLD TRADE CENTRE - LONDON E1 6AA - 01-481 3188

## A Chance to Earn £30,000pa

Our client is an international group of companies providing financial planning advice and other services from offices in the USA and Europe. Their success is based upon a dynamic formulation blending security, growth and income tailored to the precise needs of their clients' portfolios. The SALES STAFF they seek will probably be aged 28-35, and have had some experience of investments or financial services. An intensive 3-week training is provided to qualified candidates at their offices in Belgium. The positions are salaried and supplemented by performance-based bonuses, expenses and company car. Initially positions will be London-based. Reply in confidence with full CV to Dept PFA, Markwaver Consultants, 216 Goldhawk Road, London W12 9AC.

## Bond Settlements/Loan Administration Extend your Supervisory Skills

The London branch of a successful international trust bank now intends to recruit a supervisor for the administration of two areas - loans/documentary credits and securities. As part of an expanding group, the company is handling an increasing number of transactions and needs a high level of control in checking its administration.

By joining this profitable company you will gain broader experience and will prove your capabilities in ensuring the smooth back up of transactions. You already have good experience of the administration of securities and are ready for the challenge of supervising other settlements staff.

Probably in your 30s, you are articulate with the ability to supervise the work of others. Your knowledge of bond settlements is particularly sound and you are now ready to extend your skills. Familiar with computerised accounting in a banking environment, you are accurate and meticulous in all your work.

A competitive salary plus a range of banking benefits will be offered to the successful candidate. To apply, please write to Frances McNulty of Cripps, Sears and Associates Ltd., Burne House, 88/89 High Holborn, London, WC1V 6LH, Telephone 01-404 5701.

Cripps, Sears

## HARLOW UEDA SAVAGE LTD NEW OPPORTUNITIES IN SWAPS CORPORATES

Individuals with drive and enthusiasm are required to help expand our existing swap team with particular bias to the corporate market. Candidates should be currently working for a corporate on the treasury desk or should be working in a swap environment.

A competitive salary package will be available.

Interested applicants should send their Curriculum Vitae in strictest confidence to Cindy Buggins, Associate Director, Adelaide House, London Bridge, London EC4R 9EQ or telephone 01-929 1744.

## Treasury Manager

based Central London

Granada is a successful group of companies with turnover in excess of £800m, generated from a wide-range of activities including TV and video rental and retail, both UK and overseas; TV broadcasting and programme production; leisure, consumer and business services.

With profits growth of 48% over the past two years and further plans for expansion, we are now establishing a dedicated treasury function. As Treasury Manager, reporting to the Group Financial Controller, you will be responsible for providing a full range of UK and overseas treasury services.

To help us achieve this we need a qualified accountant with two to three years active

and broadly-based exposure in a substantial treasury role. Experience of dealing personally with both subsidiary companies and external organisations is necessary, while the ability to contribute to the departmental workload, particularly in corporate taxation would also be useful in the shorter term.

Salary will be competitive for the person with the right combination of strong technical skills and the personality to establish the role. An executive car will be provided together with major company benefits.

Please send your cv to: Richard Simpson, Group Personnel Executive, Granada Group plc., 36 Golden Square, London W1R 4AH.

GRANADA



# Accountancy Appointments

## Taxation Accountant

London

to £22,000+car

Our client is a major public group with interests primarily in contracting and construction and turnover approaching £1 billion. The taxation department advises on all aspects of UK and overseas taxation as they affect the group and also handles all UK tax compliance work. The department wishes to increase the strength of its small, professional team with the appointment of a Taxation Accountant.

Candidates should be qualified accountants, preferably in their 30's, with a minimum of 3 years post qualification experience gained in the taxation department of a major professional firm or industrial group. Alternatively an Inspector of Taxes of appropriate grade and experience would be considered.

Responsibilities will be wide-ranging and varied, encompassing both routine and non-routine matters of a compliance and advisory nature.

This is an excellent opportunity to become involved in the complex tax affairs of an international group with operations in more than 50 countries.

Please write in confidence, enclosing career details and quoting reference 6106/L to Valerie Fairbank, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

**PEAT  
MARWICK**

## ACCOUNTANCY APPOINTMENTS

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For further information, call:

Louise Hunter  
01-248 4864

Jane Liversidge  
01-248 5205

## Newly/recently qualified accountants

### FINANCIAL ANALYSTS

London

Salary £NEG.+ Banking Benefits

Our client is a highly successful financial services subsidiary of a leading UK banking group. Internal promotions have resulted in two similar vacancies for creative young accountants.

The positions will involve, to differing degrees, setting and evaluating pricing structures; the analysis and presentation of financial information for senior management and the development of financial modelling techniques as well as budgeting, forecasting and project work in relation to expansion into new financial products and joint ventures.

Both positions are high profile roles reporting at General Manager level and involve regular contact with the highest levels of management within the Company and the Group.

Candidates should be qualified accountants (ACA/ACCA/ACMA) aged 25 - 30 years with up to 2 years post qualification experience; they should be highly numerate individuals with strong, outgoing personalities. The salary package will be made highly attractive to the right candidates.

For further information on these and other vacancies within this rapidly expanding group, either telephone or write enclosing a CV to Caroline Benton or Malcolm Edgell FCA at our London address quoting reference 6660.

410 Strand, London WC2R 0NS. Tel: 01-936 9501  
163a Bath Street, Glasgow G2 4BQ. Tel: 041-226 3101  
India Buildings, Water Street, Liverpool L2 0RA. Tel: 051-227 1412  
113/115 George Street, Edinburgh EH2 4JN. Tel: 031-225 7744  
Brook House, 77 Fountain Street  
Manchester M2 2EE. Tel: 061-236 1553

**DOUGLAS  
LLAMBIA**

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Accountancy & Management  
Recruitment Consultants



## Controller Planning and Investments

Uxbridge

to £25,000 + car

Our client is a £440m t/o subsidiary of a highly profitable, progressive plc, specialising in brewing, leisure, consumer services and products.

Following a recent internal promotion, an opportunity has arisen for a bright, ambitious qualified accountant to join the senior management team, based in modern offices in Uxbridge. Providing a complete corporate planning and control service for the group, you will be responsible for all aspects of profit performance, capital investments and an annual capital budget of approximately £75m. Reporting to the Group Financial Controller and supported by a close-knit, highly qualified team, you will gain constant exposure to senior operational management and main board directors.

A graduate, aged 28-35, with at least 3 years' p.q.c., you should be able to demonstrate a successful track record to date at senior/managerial level within a progressive commercial environment. A positive, intelligent approach and strong business acumen are key personal qualities for this high profile role.

The relevance attached to this demanding appointment is reflected in the highly attractive remuneration package and prospects for promotion throughout the group are excellent.

Interested applicants should contact Peter Ward ACMA on Windsor 856151 or write to him, enclosing a c.v., quoting ref. 1033, at Kingsbury House, 6 Sheet Street, Windsor SL4 1BG.



**Michael Page Partnership**

International Recruitment Consultants

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## Development Accountant

Management opportunity in  
large-scale systems development programme

Bristol c. £21,000

Sevenside is a largely autonomous BT District with a turnover of £250 million, responsible for the development and maintenance of telecommunications business in the thriving areas centred on Bristol and Gloucester.

Being currently engaged in a major systems development programme, we seek to appoint a Senior Accountant with direct responsibility to the District's Chief Accountant for the specialist development of accounting systems. The systems we are introducing will be extremely powerful and experience of large data-base applications will be particularly relevant.

Applicants must be professionally qualified accountants, and will have several years' experience in

computerised accounting systems, together with a solid record of career progress. British Telecom operates in a vigorous, competitive environment, where professionalism, commitment and commercial awareness are essential personal qualifications.

Starting salary is c. £21,000, depending on experience and qualifications. Generous benefits package include assistance with relocation, where applicable, to the Bristol area.

Please write sending your CV to Mrs Sue King, PC72, British Telecom, Sevenside District, Mercury House, Bond Street, Bristol BS1 3TD.

British  
**TELECOM**

## Financial Controller

Up to £19,000 pa + car  
Rural Oxfordshire

The field of product and process-orientated research and development is fiercely competitive, and the need to plan, monitor and control financial performance effectively in a rapidly changing environment is critical.

This role therefore represents a considerable challenge to a highly motivated professional. The need is for a qualified Accountant keen to play an important part in the management of an expanding and successful R & D Group with a turnover of some £10 million, which provides key support for a large multinational company. Reporting to the Operations Director, you will be responsible for all aspects of financial accounting, including long and short term planning, budgetary control, monitoring and reporting, as well as the continued development of procedures and computerised systems.

Ideally aged around 35, you should have considerable experience of financial accounting gained at senior level in a medium sized organisation. Some experience of corporate financial reporting is essential.

The rewards will match the responsibility and accountability of the role. A substantial salary is enhanced by a range of large group benefits including a company car and relocation assistance, if appropriate, to a very attractive area. Prospects for career development are excellent for the right man or woman.

Austin Knight have been retained to handle initial applications. Please telephone Barrie Witt on 021-455 6255 (office hours) or 06845 66477 (evenings) or write to him quoting ref LS 180, at Austin Knight Selection, Tricorn House, 51/53 Hagley Road, Edgbaston, Birmingham B16 8TP.

**Austin  
Knight  
Selection**

## Financial Controller

Central London

c. £25,000 + car

Our client, a very successful and expanding specialist firm of Commercial Surveyors and property consultants, is seeking a Financial Controller to contribute to the implementation of the partnership's strategic plan.

The successful candidate will be a chartered accountant, aged between 30 and 45, with the drive, determination and commercial acumen to fit in and grow with the existing partners. Reporting to the Managing Partner, the successful incumbent will take full responsibility for the accounting and finance function and company secretarial duties including administration, and computerisation of the accounting system. Success in this position will require a hands-on approach.

This challenging role offers an exceptional opportunity to make an immediate impact at a senior level and provides excellent prospects for career advancement.

Please write with career and salary details to:  
Steve McBride, Management Consultancy Division, Robson Rhodes, 186 City Road, London EC1V 2NU.

**ROBSON RHODES**

## Business Analyst

c. £17,500 + car

London SW1

A major UK manufacturer, which generates a turnover of over £600m in product lines which set world-wide standards for quality and advanced engineering, requires an analyst for its Head Office Appraisal Department in London.

The Department, staffed by professionals of mixed disciplines, assists the Executive Committee to maintain the direction and momentum of the company's vigorous development, by reviewing proposed acquisitions, divestments, capital expenditure, tenders, budgets, plans and forecasts.

The scope for individual contribution and longer-term development is exceptional for candidates of the highest quality. A very competitive benefits package will be offered. If you are in your late 20's and are either a graduate ACA/ACMA with post-graduate investigations experience, or an MBA with project evaluation experience, please send your C.V. (quoting ref 8812) to Richard Gibbons, Barnett Consulting Group, Providence House, River Street, Windsor, Berkshire, SL4 1QT. Tel: Windsor (0753) 858888.

**Barnett Consulting Group**

## FINANCIAL CONTROLLER

This highly autonomous subsidiary of a major British hi-tech group seeks an accountant with the ability to make a positive contribution to the senior management team. This highly commercial role carries the responsibility for the day-to-day running of the Finance department of 35 staff and provides excellent exposure to all aspects of the operation. Applicants, ideally ACMA's, should possess operational experience and proven leadership ability. Ref: CW.

SURREY c. £20,000 + Car

## FINANCIAL ACCOUNTANT

An outstanding career opportunity for a young ACA making their first move out of the profession. Initially working at the centre of this diverse UK group, responsibilities will embrace the preparation of financial accounts, group consolidation plus some investigatory work. Career progression leads rapidly to a controllership within the group. Suitable candidates, aged 28-32, will be graduates with a minimum of two years post qualification experience. Ref: JG.

C. LONDON To £23,000 + Car

## ANALYSIS/PROJECTS

This progressive hi-tech company has enjoyed continued growth over the last five years culminating in a recent full Stock Exchange listing. Accordingly the group requires a Financial Analyst to work closely with the Finance Director, interpreting monthly results and engaging in project work, systems development and assessing potential acquisitions. Candidates should be young qualified CA's with commercial experience seeking early challenge and rapid progression. Ref: GL.

C. LONDON £18,000 + Car

FREEMANTLE, ROMAN HOUSE, WOOD STREET,  
LONDON EC2B 2JG. 01-559 5191.

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## Financial Controller

Yorkshire Attractive Salary + Car

Cawoods Oil, a division of Cawoods Ltd, distributes oil on a national basis, with a turnover of £70 million.

We are seeking to recruit a qualified accountant to take over when our present Financial Controller retires later this year. Reporting to the Managing Director, the Financial Controller will be responsible for all finance and accounting matters and the efficient day-to-day running of the accounting department, with particular emphasis on the development of management information.

Candidates, probably in their mid thirties, must have industrial experience and be able to demonstrate an enthusiasm and drive which will enable them to progress within the company and group.

The attractive remuneration package offered is that expected of a company within the International Redland Group, and a company car is provided.

Telephone for an application form and further details to: I.B. Dudley, Personnel Manager, Redland PLC, Redland House, Reigate, Surrey RH2 0SL. (07372 42466)

**Cawoods**

## FINANCIAL ACCOUNTANT

c. £16,000 p.a.

Our client is a premier private hospital in West London which has grown rapidly in size and achieved a notable reputation for the excellence of its services and staff.

The Financial Accountant, working with an Assistant, will be required to improve and develop accounting controls, co-ordinate and monitor the preparation of monthly accounts and to guide and support Section Supervisors.

Candidates, who should be of 'finals' standard or suitably experienced in financial and management accounting principles, will have particular experience in the preparation of monthly and annual accounts and the control of ledgers.

Please write, giving details of experience, qualifications, earnings and circumstances, to: R. T. Scott, Managing Consultant, Taylor Scott Associates Limited,

c/o Austin Knight Advertising Limited, Ref. F.A., 17 St Helen's Place, London EC3A 6AS.

**STa**

Personnel Management & Recruitment Consultants

Handwritten signature or mark.



مركز مارويك

# Accountancy Appointments

## Assistant Group Accountant City

This is an exceptional opportunity for a young Chartered Accountant to work as part of a small team in the Group Finance Department of one of the major international merchant banking and securities groups.

Reporting to the Group Accountant, he/she will be involved in various areas of financial control. These will include the Group's financial and management reporting, as well as ad hoc projects arising from the Group's need to adapt to the changing City environment. The position will entail exposure to senior management throughout the Group and is likely to involve some overseas travel.

Candidates should have a working knowledge of consolidations of international groups of companies and experience of working with computerised systems.

An attractive salary package will be negotiable and the benefits package will include a subsidised mortgage, BUPA, non-contributory pension and free life assurance.

Suitably qualified applicants should write enclosing a full curriculum vitae to: Mr A.J. Hatton-Gore, Personnel Officer, Kleinwort Benson Limited, 20 Fenchurch Street, London EC3P 3DB.

**Kleinwort Benson Group**

## Chief Accountant

c.£20,000 + Car

This is an opportunity for an ambitious chartered accountant in his/her late 20's to join the lively top management team in the retail division of a substantial UK Group.

The position will entail control of a small financial accounting group who are responsible for statutory accounting and monthly performance reporting, together with personal involvement in balance sheet analysis, new policy and procedure controls and the evaluation and improvement of systems (a new generation of computers is being introduced).

Applicants should be chartered accountants with several years post qualification experience either gained in industry or a major practice. The headquarters is in an accessible East Midlands location. There is a relocation package and applications will be welcome from all parts of the UK.

Please apply in confidence, quoting ref. L231, to:

Chris Haworth  
Mason & Nurse Associates  
1 Lancaster Place, Strand  
London WC2E 7EB  
Tel: 01-240 7805

**Mason & Nurse**  
Selection & Search

## Finance Director-Designate

South Herts

c.£25,000 + car

Our clients are world leaders in the provision of a wide range of specialised services in the field of health care and have an excellent reputation world-wide. They have identified new fields into which to expand their operation which, potentially will increase their size considerably in the short and medium term. They will be seeking a placing on the USM in the near future.

They wish to strengthen the management team by recruiting a finance director-designate to work closely with the senior directors and also to negotiate contracts and financing arrangements.

The successful applicant will probably be aged 28-35, a chartered accountant with sound technical skills, a keen business

mind and commercial acumen, preferably with experience in the City. A strong personality, maturity and self-confidence will be essential to deal with a vast range of contacts in the UK and overseas.

Please reply in confidence, enclosing career details and quoting reference 6181/L to Anne Routledge, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

**PEAT MARWICK**

## Accounting Manager, Europe

Supporting high-technology growth c.£22,500 + car

The secret of Amdahl's success as an \$800 million high-technology company is our commitment to innovation, integration and teamwork. Since the 1970s, we have consistently pioneered major processing systems market through forging a unique customer-vendor relationship. This climate of partnership and flexible 'can-do' approach stretches equally to our financial operations.

With our continued growth, we seek an Accounting Manager to strengthen our European organisation. Reporting to the European Controller and part of the closely-knit finance team, you will assume complete responsibility for the management of internal performance reporting. In addition, you will have significant involvement in the budget process, provide policy guidance to the European finance group, and act as a financial consultant travelling occasionally to provide technical support and back-up. Probably in your early 30s, you must be a qualified accountant with head office-

based experience within a multinational under your belt, preferably including exposure to US accounting practices. This highly visible role calls for a finance professional with well-developed skills as a communicator and initiator. Accept responsibility and use your professional judgement to provide practical, results-oriented recommendations, and Amdahl can provide the progressive high-tech environment which offers excellent scope for career development.

A comprehensive non-contributory benefits package includes pension, life assurance, medical insurance and fully-expensed car. Relocation assistance is available where appropriate.

Please send full cv, in strict confidence, to Mike Henderson, Personnel Manager, Amdahl International Management Services Limited, Dogmersfield Park, Hartley Wintney, Hampshire RG27 8TE.

**amdahl**

## COMMERCIAL MANAGER EAST MIDLANDS to £18,000 + CAR

Two years ago the new board and senior management of this international group drew up new growth plans which included the revitalisation of its commercial management. These plans have been successfully implemented and are bearing fruit.

Commercial management in the broadest sense is viewed as a key factor in this success and the group seeks to augment this with the appointment of a graduate, commercially astute and experienced, who also possesses a professional qualification, preferably in accounting or business management.

Ultimately reporting to the Commercial Director the role is broad based, financially biased, and will require a candidate (mid 20's) who is ambitious and has the potential for development into general management. Ref: 0471.

Please telephone Robin Rotherham

**Accountancy OPTIONS**

01-541 5580 (24 hours)

6-8 Thames Street, Kingston-upon-Thames, Surrey. KT1 1PE.

## APPOINTMENTS ADVERTISING

£41 per Single Column Centimetre and £12 per line. Premium positions will be charged £49 per Single Column Centimetre

For further information, call:

Louise Hunter  
01-248 4864  
Jane Liversidge  
01-248 5205

## Chief Accountant £18,300 plus Bonus and Car

Our client, part of a major international group, is one of the largest multi-outlet retailing companies of its type in the UK. Operating from a strong concessioning base, which is being diversified and expanded, it also has a successful ten year growth record in other retailing interests.

This senior appointment offers excellent prospects for a Chartered Accountant who has the commitment and discipline to contribute to the company's continuing development. Based in Middlesbrough and reporting to the Financial Director, the selected candidate, aged 29/45, will lead and manage an established department and be responsible for the financial and management accounting, capital budgeting and stock accounting of a large fast moving business. D.E. systems development experience, preferably in the FMCG retail trade, is desirable.

Starting salary as above with early review, free medical insurance, pension and other benefits.

Please write in the first instance, enclosing your curriculum vitae, listing separately those companies to whom you do not wish your application to be forwarded, to Mrs. C. Beach, ARA International, Recruitment Advertising Division, Edman House, 17/19 Maddox Street, London W1R 0EY.

**ARA International**  
RECRUITMENT ADVERTISING DIVISION

## ACCOUNTANT Central London

Please send a CV in confidence or telephone:

K J McQueen  
Director  
Gencor (UK) Limited  
30 Ely Place  
London EC1N 6UA  
01-404 0873

We are the service company of a major overseas mining and industrial group with financial interests across four continents.

Recent reorganisation calls for the appointment of an ACCOUNTANT to provide a full range of financial accounting services for the many companies managed or administered on behalf of the group. Reporting to the Finance Director the Accountant will also assist him in strategic financial planning, cash and investment management and in the introduction of computers to the accounting function.

The Accountant must be qualified and have a strong auditing background ideally with exposure to group and international accounting procedures. Experience of computerised accounting would be an advantage.

The salary is fully competitive and the benefits package includes family BUPA and a company car.



## Hoggett Bowers Executive Search and Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

### Financial Director

Berkshire, c.£27,000, executive car

The Company is engaged in the sale, hire and contracting of equipment for the construction industry. It has a turnover of £70 million and is part of a well known British conglomerate whose expansion and profitability is admired by Industry and the City. This new position has been created by the centralisation of compatible subsidiaries and will be responsible to the Managing Director for the organisation of a cohesive and efficient finance function covering many units. Capital projects and planning are visible and vital duties and the incumbent will be pro-active in Company development, making positive contributions to Board discussions and commercial decisions. Candidates should be FCA, aged 35-45 years and with a professional record in service and/or construction environments. They will have maturity, energy and personal qualities which earn respect from subordinates, peers and senior management. Performance in this position will be noted as a guide to potential for future assignments. Benefits are excellent.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a personal history form to L.L. Duff, Hoggett Bowers plc, 1/2 Hanover Street, LONDON, W1R 9WB, 01-734 6852, quoting Ref: 18117FT.

## Financial Accountant Director Designate

Berkshire - attractive salary plus benefits

Our client is one of the largest specialist Garden Centre groups in the UK. Established for 15 years, it is now destined for the USM within 3 years. With 9 major 'out-of-town' Garden Centres already within the Group, it has further 'green field' sites for development. Further expansion is also envisaged over the next five years by acquisition.

Your responsibilities will include:  
\* Contributing to the group's commercial development and the sourcing and application of funds.  
\* Leading an accounting team with involvement at the detailed level including budgeting and performance review.  
\* Developing computer management information systems.  
\* Company secretarial duties, i.e. planning, etc.

The successful candidate will have:  
\* General fast rate technical accounting and financial skills and led a small accounting team in a fast moving sales or distribution company.  
\* A minimum age of 30 and salary not less than £28,000 p.a. as proof of the necessary background.

\* Developed and applied advanced computerised systems.  
\* This role offers the opportunity to join a young, aggressive management team and the possibility of a Directorship and performance related or share incentive on achieving success.

Please apply in confidence to: R.D. Lancaster, Grant Thornton Management Consultants, Kennedy Tower, St. Chad's Queensway, Birmingham B4 6EL.

**Grant Thornton**  
Management Consultants

## Group Financial Controller

c.£25,000 + Car

S.E. London

Our Client, a privately owned group of companies in a high growth market sector, seeks to strengthen its management team to prepare for USM.

The successful candidate will be a dynamic and commercially alert, qualified accountant, preferably from a similar background. Financial leadership skills including the ability to develop middle management profit consciousness and cost efficiency, together with expansion and investment planning, are the prime requirements. A well organised accounts department, led by an able Assistant Accountant provide a strong back-up team.

This outstanding vacancy provides a first class opportunity within an entrepreneurial organisation, and affords appropriate prospects and benefits.

Please send full personal and career details to Confidential Reply Service, Ref. ABF/9360, Austin Knight Advertising Limited, 17 St. Helen's Place, London EC3A 6AS.

Applicants are asked to note that all applications will be forwarded, unopened, direct to the client concerned.

**Austin Knight Advertising**

## European Management Accountant

This is the chance in a lifetime for a lively and ambitious accountant who enjoys limited overseas travel. Chubb Fire Security Limited, a world leading fire engineering group (and part of the Racal Electronics Group), are rapidly expanding into Europe.

We're therefore looking for a European Management Accountant to take up a new senior position in our central accounts department at Sunbury-on-Thames. A major part of the job will be the co-ordination of accounting within our European subsidiaries - management reporting, group financial reporting, planning and forecasting. There will be a need from time to time to visit our operations in Europe, and

a degree of personal flexibility will be built into these arrangements.

This vacancy is ideally suited to a finalist/qualified accountant (ACA or ACMA) or someone with significant accounting experience who holds a Degree in Economics or Business Studies. Good communication skills are vital. A knowledge of Spanish or Italian and experience of European accounting would be a distinct advantage.

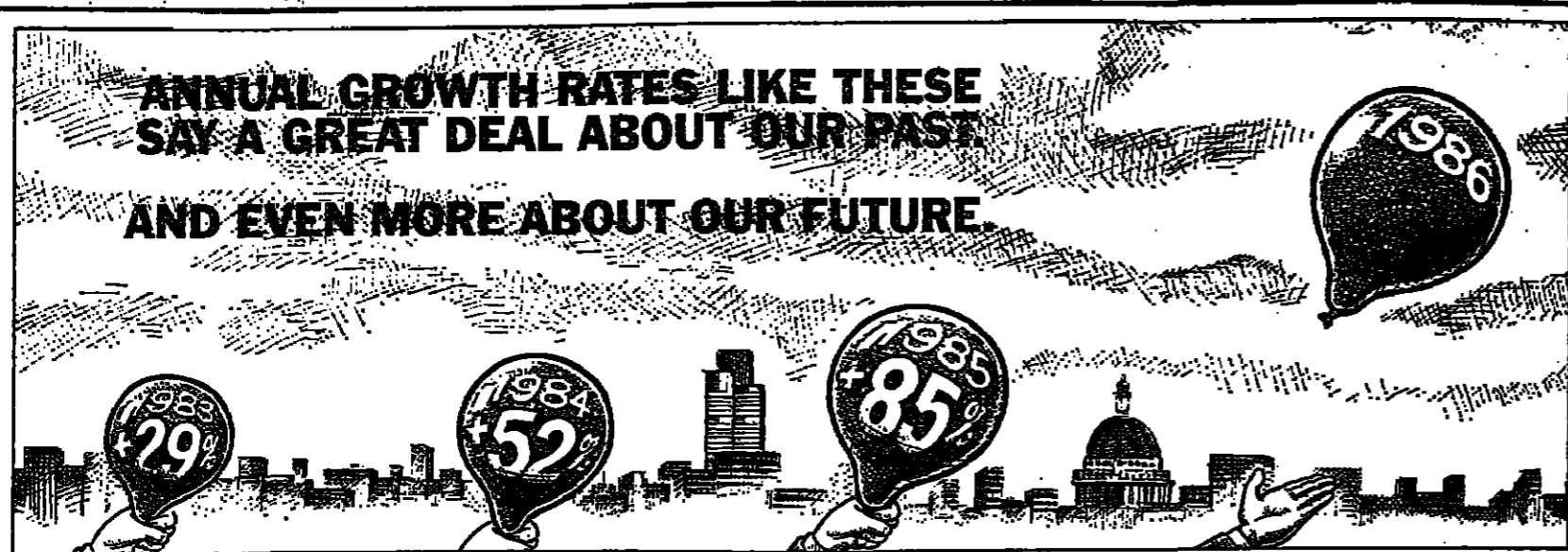
This demanding job offers circa £14,500 and benefits, plus excellent career prospects. Please apply in strict confidence to: Mr R H Kent, Personnel Administration Manager, Chubb Fire Security Limited, Pyrene House, Staines Road West, Sunbury-on-Thames TW16 7AR.

**Chubb Fire Security Limited** a company of the Racal Electronics Group.

**RACAL**

World leaders in fire security

# Accountancy Appointments



During the 1980's the management consultancy business has become an increasingly competitive market place. At Touche Ross, we firmly believe our growth achievements over the past few years to have been significant, even impressive.

The figures above may speak volumes about our recent past, but perhaps even more for our future, and for the future of people joining the company in 1986, when an even higher percentage growth increase seems likely. Clearly, opportunity is the key word of our proposition. Opportunity for constant intellectual challenge. Opportunity for personal achievement. And opportunity for rapid career development.

This upward trend, linked to our commitment for excellence, creates a continuous requirement for top-calibre people with a good first degree and appropriate professional qualification, particularly in Accountancy or Economics. The nature of our work is essentially problem solving;

providing reasoned, practical solutions to often complex assignments emanating from every aspect of business life. In this type of constantly changing environment you will be able to gain a much broader base of business experience than would have been possible from a pure line role.

An excellent training programme allied to a wealth of knowledge available from more experienced colleagues will help ensure your short and long-term success. Exceptional men and women are progressing to partnership in 3-4 years and thrive in our open, informal structure which is geared to strategic self direction.

Salary will not present a barrier. A company car is also provided. If you wish to consider joining us in London, Manchester or Glasgow, please write or telephone in absolute confidence, to: Michael Hurton, (Ref 2646), Touche Ross & Co., Hill House, 1 Little New Street, London EC4A 3TR. Tel: 01-353 8011.



## Group financial director

Surrey, £35,000 neg



For a dynamic and fast growing private company whose principal activities are in the marketing of computer products and services, security warehousing, logistics management and computer transport. Group turnover this year is expected to exceed £15m.

Filling a key role in a small management team you will report to the Managing Director and have total responsibility for the Financial and Company Secretarial functions.

A qualified accountant aged in your upper 30s you should have well rounded experience with a commercial/service sector bias. You should be outgoing, energetic and ambitious.

Resumes including a daytime telephone number to Torrance Smith, Executive Selection Division, Ref. S487.

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## The Royal Bank of Scotland

### FINANCIAL CONTROLLER - FACTORING COMPANY

c.£20,000

The Royal Bank of Scotland, the UK's fifth largest Clearing Bank, is forming a new subsidiary company to operate in the field of invoice factoring and invoice discounting.

The Managing Director has already been appointed and he now needs to recruit a Financial Controller who will be required to establish the financial accounting function. This is a key position as the successful applicant will develop systems and create his own team, so as to contribute to the growth of the company.

Applicants must be Qualified Accountants with around 3 years' post qualification experience in the commercial/ industrial sector. Experience of EDI systems design/ implementation is desirable. The Company is likely to be located in Croydon.

Starting salary will be around £20,000 depending upon experience, and other benefits will include Pension, Car and Medical Insurance.

Interested applicants should send a full C.V. to:-

Peter Richards, Senior Personnel Manager,  
The Royal Bank of Scotland plc,  
Personnel Department, New London Bridge House,  
25 London Bridge Street, London SE1 9SX

## 'A Walk in the New Forest' TAX CONSULTANCY

Southampton  
Up to £23,000 + Car

We have an exciting opportunity for you to broaden and develop your tax career as a managing or senior tax consultant in our fast expanding team in Southampton.

You should be a chartered accountant or Inland Revenue Inspector (P) with at least 3-4 years corporate tax experience. You must be able to demonstrate leadership and communication skills and have an ability to manage staff in providing an outstanding tax consultancy service to a portfolio of clients.

These will include businesses from a wide spectrum of industry ranging from small companies to large international corporations.

Full in-house technical training will be provided together with courses on management, leadership and communication.

If you want to move out of London or a large city to enjoy "a walk in the New Forest", you can also have a challenging tax career with an international firm, which offers an attractive salary, car, relocation package and excellent prospects of progression.

Please telephone or write to:

Mike Goodlen  
Price Waterhouse  
Capital House  
1 Houndwell Place  
Southampton SO1 1HU

Telephone: (0703) 228445

**Price Waterhouse**



Pathways to the top in a Blue Chip Multinational

## Young Accountants

up to £21,000 + relocation Crawley

Our client is a subsidiary of one of the UK's TOP 100 COMPANIES whose diverse interests include many areas of highly advanced engineering technology. The subsidiary has a turnover of c. £50m p.a. and is one of the world's leading names in engineering design, project management and process plant contracting.

Young accountants are highly valued and groomed for accelerated career development within the Group. You can expect excellent salary progression, real involvement in running a business at the 'sharp end', with early control and decision making authority. The following positions provide almost unequalled career prospects as entry points for the future top management within a major multinational.

### Commercial Accountant

Corporate planning, acquisition studies, evaluation of performance and business risks, together with competitor analysis and ad hoc exercises. Candidates should be qualified accountants probably aged 27-32 who have had exposure to financial modelling techniques.

### Financial Manager

Controlling a small team providing financial control and management information including budgeting, forecasting, cash flow and other information vital to the business decision-making process and the overview of performance. Production of a monthly reporting package, liaison with Group Headquarters and senior level management. Candidates should be qualified accountants, probably aged 25-30 with a least one year's post-qualification commercial experience.

### Financial and Management Accountant

Supervising several staff in the accounts function and producing a monthly reporting package to strict deadlines. The position provides valuable staff and line management experience and will appeal to newly/recently qualified accountants in their mid-twenties. Finalists will also be considered.

Please send your career and current salary details to Barry C Skates, stating which position(s) interest you, or telephone him on 0628 75956 for an informal discussion.

MKA SEARCH INTERNATIONAL LIMITED  
Berkshire House  
Queen Street  
Maidenhead  
Berks SL6 1NF



## Financial Director

Rural Midlands c.£30K+profit share

Our client, a highly profitable and growing £60m T/o subsidiary of a substantial British plc has restructured its board and now wishes to appoint a Finance Director.

Whilst responsible for the entire financial function of the company as one of only three executive directors, there will be considerable authority for devising and implementing an appropriate business strategy to achieve further profitable growth.

Candidates, aged 35/45, must be qualified accountants and ideally have a degree in a technical or business discipline. They should have a demonstrable and balanced record of achievement as head of this function in a business of size and reputation gained in part from a multi-site activity.

The salary package is negotiable as indicated and in addition will include all elements associated with a business of stature including quality car and relocation expenses where appropriate to the rural East Midlands.

Please write in confidence, initially with brief details, and quoting reference 1607 to John Anderson, as Advisor to the company, at:

**John Anderson & Associates**  
Executive Search & Selection  
Norfolk House, Smallbrook Queensway, Birmingham B5 4LJ.

## Group Financial Adviser

for a rapidly growing group with a  
commitment to growth by acquisition

up to £20,000 + car City based

The importance that this new position fulfils cannot be overstated. It will provide the financial management input for the holding company board within a group that has grown rapidly during the past three years.

Reporting to the Chairman, you will be responsible for the day to day financial management of the group, consolidation of group accounts, provision of financial information concerning the total group and will provide the financial analysis and evaluation of identified acquisition opportunities.

Probably aged under 30, you will be a chartered accountant, ideally having qualified with one of the big 8, will have three years post qualification experience including acquisition/strategic management preferably gained in a banking, stockbroking or venture capital environment.

Please write, in confidence, with full career and salary details to date to John Woodger, ref. B.44062.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited,  
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MANAGEMENT SELECTION

## FINANCIAL CONTROLLERS

Do you want a career in a demanding and dynamic private health care environment?

Reporting to the Hospital Director, you will be responsible for the creation of financial, accounting and administrative systems during the commissioning of the hospital and subsequently, managing a team of up to 30 people, control all those above aspects of the operational unit including extensive data processing systems.

Universal Health Services, currently the fifth and fastest growing private health care company in the US, is in the process of developing two new major acute units in London. The 90-bed London Independent Hospital, situated nearby to the renowned London Hospital, will be equipped with some of the most advanced and sophisticated high-tech procedural and diagnostic facilities which will place the hospital in the top three UK private units.

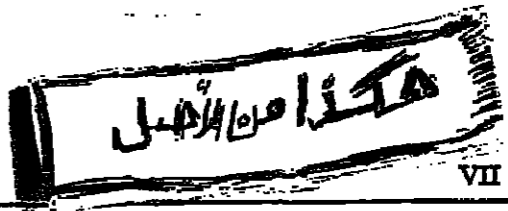
The 61-bed Shirley Oaks Hospital situated in Croydon will also provide all the necessary facilities demanded of a modern medium-size private hospital.

A qualified accountant you will have the ability to operate effectively at the corporate/PR and departmental level. A positive personality and good communication skills are other essential attributes.

The salary and benefits package will be negotiable but commensurate with the position.

Please attend at the Assessment Centre at The Forum Hotel, Cromwell Road, London SW7 on Saturday, 19 April 1986 at 9.30 a.m., bringing with you a detailed c.v. (ask for Universal Health Services) or phone Hazel Toogood on 01-486 7304.

John Anderson & Associates



# Accountancy Appointments

## Business Analysis

New High Profile Appointments  
North West London  
£20 - 25,000 + Car

This major retailing company continues to lead the field with record levels of profitability and ambitious growth plans.

To examine existing operations and play a key role in the development of the company, a Business Analysis team has been formed. Working closely with the Directors, your tasks will be varied and challenging and will be commercially as well as financially oriented.

Operating at this senior level will

call for self-confidence, maturity and high level communication skills. You should also be ambitious to progress and your future within the Group will be limited only by your own ability.

To fulfil these roles you should be a graduate and qualified accountant or MBA, with a minimum 2 years' post-qualifying experience, in either commerce or consultancy, which should include investigation and analysis work.

Benefits will include a company car, pension and a negotiable salary.

Please apply in confidence enclosing a full CV and quoting reference MCS/1004 to Michael Madgwick Executive Selection Division Price Waterhouse Management Consultants Southwark Towers 32 London Bridge Street London SE1 9SY

Price Waterhouse



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01-248 4864

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01-248 5205

## Business Analyst

c £20,000 + Banking Benefits

A leading financial services group with an enviable growth record, has a vacancy in its Group Financial Planning and Control function arising from a career development move.

The analyst will be responsible for critically assessing operating unit plans, budgets, forecasts and actual performance and preparing review papers and studies for the Group Board. An ability to understand the economics of the various businesses within the Group is required together with the insight to identify areas for profit improvement. There will be active involvement in using and maintaining financial models.

Applicants, preferably in their late 20's, should be qualified accountants or business graduates with previous experience of advanced techniques of financial analysis and appraisal gained in a major service industry or industrial group. Experience of computerised modelling and reporting systems is essential, together with a high standard of written and oral presentation.

The position is based in the City and the benefits package will be in line with the best financial sector practice including mortgage subsidy. Career opportunities are excellent.

Please apply in confidence quoting ref. L230 to:

Brian H Mason  
Mason & Nurse Associates  
1 Lancaster Place, Strand  
London WC2E 7EB  
Tel: 01-240 7805

Mason  
& Nurse  
Selection & Search

## Oil industry professionals

Coopers & Lybrand Associates, the UK's leading firm of financial and management consultants, is substantially increasing the size and scope of its oil and gas consulting practice and wants to recruit two young oil industry professionals with hands-on experience in:

Petroleum Engineering  
and  
Refinery Operations

The preferred candidates will be around 30 years of age and, in addition to their technical and operating experience, will have spent some time in economic analysis associated with their respective fields.

If you meet these criteria, have a confident personality and the ability to communicate - with colleagues as much as with clients - then you could be the person we are looking for.

Working as a consultant or senior consultant at our London office you can expect an excellent remuneration package plus car and the chance of rapid career development. In today's rapidly changing oil and gas world, if you see consultancy as an exciting career opportunity, please send a full career résumé including a daytime telephone number and quoting Ref. FT04/12 to Ian Goskirk at Coopers & Lybrand Associates, Plumtree Court, London EC4A 4HT.

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& Lybrand

For business committed to growth.

## Financial Director Designate Investment Bank

An opportunity has arisen for a top calibre Accountant to join an international investment bank with business centred in London and New York.

Based in the City, with periodic travel, the Financial Director Designate will be responsible to the CEO for the finance function including:

- \* Development of management information systems.
- \* Treasury function.
- \* Facilities and office management.
- \* Monitoring and reporting on investments.

This is an important job with an annual remuneration package of not less than £40,000 plus an equity incentive. Preferred age - 30 to 40. Work experience with a major US bank or comparable organisation. Integrity, drive and a record of achievement are essential.

Applicants should write, enclosing a full Curriculum Vitae, quoting ref. 0962 to Nick Baker, FCA, Executive Division, 39/41 Parker Street, London WC2B 5LH.



Michael Page Partnership  
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## Corporate Finance Specialist

Ranked among the top twenty British banks, we provide a full range of commercial and merchant banking services and we now need a young professional to join our expanding Corporate Finance Department.

A Chartered Accountant, 28-32, with at least 3 years' post-qualification experience which will have exposed you to the major areas of corporate finance - venture capital, flotations, management buy-outs and capital restructuring - and will, ideally, have enabled you to establish a number of institutional contacts within the City. Self-motivated and entrepreneurial by nature, you will be able to demonstrate high standards of professionalism and a strong determination to succeed in this competitive world.

This position offers you the chance to become involved at an early stage of the department's development and attracts a substantial remuneration package. Moreover, reflecting anticipated future growth, the prospects for further career progression are excellent.

Please send a full CV to Geoff Ritchie, Manager - Personnel, Scandinavian Bank Limited, 2-6 Cannon Street, London EC4V 6XX.

Scandinavian Bank Group

## Accountant-Financial Services

UP TO £20,000 + CAR

Mercury Communications, one of Britain's fastest growing businesses, is providing a new communications network for Britain.

The Accountant - Financial Services responsibilities will include the design and implementation of financial systems, and the provision of advice to senior managers on new business developments. Involvement in special assignments will also be necessary.

You are a qualified (A.C.A., A.C.M.A., A.C.C.A.) accountant preferably with a good first degree, who has 2 or more years post qualification experience gained in either a service or manufacturing industry. Flexibility, sound business and accounting judgement, and above all enthusiasm and drive are essential.

Mercury offers an excellent benefits package, and there are exciting career prospects both here and with our parent company Cable and Wireless plc.

Please send a detailed curriculum vitae, including details of your current salary to Robert Johnston, Personnel Department, Mercury Communications Ltd., 90 Long Acre, London WC2Z 9NP.



## Company Director FCA

Egham, Surrey

c £30K pa

With a turnover of circa £10m and employing around 50 people, our Client has grown steadily for the last 30 years under a conservative management. The Company, which is in the high technology field, is now seeking a commercially mature director.

The candidate will have an FCA qualification with a degree, plus experience in personal and company taxation and exposure to marketing activities if possible in an engineering environment. Experience in the recruitment of personnel and exposure to the duties of a company secretary would be a distinct asset. Candidates should be good commercial all-rounders, with a strong commitment to protect the company's assets. Ideal age bracket 40-55.

Benefits include a company car, pension scheme and possibly a bonus depending on the individual's contribution to the Company's development.

Write or telephone for an application form or send detailed CV to:

AJA Saw (ref. CD 585), Dirk Degenhart & Partners Limited, Management Search & Selection, Swan Centre, Fishers Lane, Chiswick, London W4 1RX. Telephone: 01-995 1331

## ACCOUNTANT

Stud Farm Management  
KNIGHTSBRIDGE

London  
£19,500

We manage the finances of one of the world's leading blood-stock businesses owning stud farms in England and Ireland. Assets include increasing numbers of horses in training and at stud and additional accounting support is required. This new post, which could lead to a board appointment, will assume complete responsibility for the accounting function and, while based in London, frequent visits to the studs will be necessary including an initial period at the Stud Headquarters in Newmarket.

The ideal candidate, who should own a car, would be an energetic young Chartered Accountant with good all-round financial skills and at least two years' commercial experience since qualifying.

Please write in confidence enclosing your C.V. to: Nigel Cowie, 200 Sloane Street, London SW1X 9QV

## Hoggett Bowers

Executive Search and Selection Consultants  
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

### Entrepreneurial Financial Director (Designate)

Manufacturing Company  
Manchester

To £25,000, Car, Benefits, Share Option Potential

Privately owned and highly successful, this dynamic company exudes 'urgency'. Since buying-out the company, the Managing Director has been instrumental in increasing sales and reducing costs, and particularly for injecting spirit into the team of now 110 staff. Ample funding for acquisitions and organic growth exists; emphasis is placed on this appointment to identify, quantify and optimise the opportunities. You must be a qualified accountant, and almost certainly young to set rather than follow the demanding pace. Your track record must demonstrate your shirt sleeves approach to achieving improved company performance. The challenge is great, future prospects are tremendous.

D.A. Teale, Ref: 30054/FT. Male or female candidates should telephone in confidence for a Personal History Form, 061-832 3500, Hoggett Bowers plc, St. John's Court, 78 Garside Street, MANCHESTER, M3 3EL.



## Financial Controller Director Designate

South Wales SALARY MIN £17,000 plus car and benefits package

Our client, Datamatic, is now one of the largest continuous computer stationery manufacturers in the U.K. and is situated in an attractive area of South Wales. The company is privately owned and has risen very rapidly to be a major force in the market, through the creativity and dedication of its management team. A very special person is now required to join the small team of Directors in further development of the business. This represents an exciting opportunity for a highly committed and capable individual to join in and help shape the company's future. The rewards for the successful applicant will include a generous package.

- If you can satisfy the following requirements then we would like to hear from you:
- \* A recognised accountancy qualification and management accounting abilities of the highest order.
  - \* Substantial experience of financial management using computerised systems at senior level in high volume manufacturing industry.
  - \* The desire to become totally immersed in the company and the ability to make a very significant contribution to its management and further development.
  - \* Age 30-40 years.

Men or women should contact us, quoting P447.

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# Accountancy Appointments

## Financial controller

International merchant banker  
City, c.£25,000 + car and benefits



Our client has a closely-knit team of professionals providing a range of established merchant and investment banking services to customers internationally. A strategic focus of the organisation is on sophisticated and innovative activities designed to meet the more complex finance and investment requirements of companies, government bodies and financial institutions.

Leading a small group you will be responsible for the financial and management accounting of the company. Your role will include the supervision of various day to day administrative and operational functions including assisting with budgeting and planning.

Aged around 30, male or female, you should be an ambitious ACA with experience in an international financial environment with the potential to contribute towards the overall management of the business.

Above all we are looking for a team member with commitment, energy, enthusiasm and inter-personal skills who is seeking attractive career prospects.

Résumés including a daytime telephone number to John Robins, Executive Selection Division, Ref. R485.

Coopers  
& Lybrand  
associates

Coopers & Lybrand Associates Limited  
management consultants

Shelley House 3 Noble Street  
London EC2V 7DQ

## Group Chief Accountant

Berkshire

c.£25,000 + car

Our clients are suppliers of precision engineering to UK and overseas industries including automotive, electrical and aeronautical. They also manage a large amount of industrial property in Berkshire.

The group are consistently seeking to expand their operations and now seek to recruit a Group Chief Accountant to strengthen their senior management head office team and contribute generally to the controlled development of the group's operations. Current turnover is approximately £80 million per annum but is expected to exceed £100 million in 1986. Responsibilities will include advising the board on potential acquisitions and integrating newly acquired companies into the group as well as ensuring good management

reporting, advising on tax planning and liaising with the group's external advisers.

Candidates, aged 28-35, should be chartered accountants and preferably have an MBA or equivalent. In addition to sound technical ability, good communication and interpersonal skills are essential. There will be excellent short and long term career prospects for the successful applicant.

Please write in confidence, enclosing career details and quoting ref. 5193/L to Anne Rowledge, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

PEAT  
MARWICK

## CHIEF ACCOUNTANT —RETAILING

YORKSHIRE

£17,000 to £20,000

A Chief Accountant is needed to fill the senior financial position in the Retailing Division of a major P.L.C., Yorkshire based. The Company has 200 confectionery, tobacco and newsagent retail outlets nationwide and is expanding at a fast pace.

Reporting to the Managing Director, the Chief Accountant will be responsible for providing monthly management accounts, cash flows, budgets, profits forecasts and other financial information for both local management and Group Head Office use.

He or she will also be expected to contribute significantly to the commercial success of the Company.

Aged 30 to 45, candidates should hold a recognised Accounting qualification and have previous experience of heading an Accounts Department in the retail sector. As well as being a self-starter and having a keen preference for close involvement in commercial decision-making, the successful candidate will have had previous micro-computing and spread-sheet experience.

Please send details of previous experience and salary history to:

Box A0098, Financial Times  
10 Cannon Street, London EC4P 4BY

## Hoggett Bowers

Executive Search and Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

### Financial Controller

Marketing and Distribution

Manchester, c.£17,000, car

Further business/product developments have created this new position within a subsidiary of a major plc. With an annual turnover of £80m, the company market and distribute a range of consumer products. De-centralisation of the group DP and accounting functions will require the setting up of independent departments consisting of a team of approximately 12 people. Reporting to the Director and General Manager, key accountabilities will be for establishing the necessary control systems for the business requirements and fully integrating them into the company's management structure and information systems. Aged 28-35, candidates must be qualified accountants with good commercial skills, capable of participating fully in the management decision making process. Experience within a commercial/business environment is highly desirable. A Board appointment is envisaged as the next promotional move. Job Ref: 29668/FT.

### Management Accountant— Manufacturing

Manchester, to £17,000, car

This is a unusual opportunity within a £40m subsidiary of a major plc which operates a number of manufacturing and distribution sites within the UK. Reporting to the Financial Director, the initial requirement is for the establishment of a computerised standard costing system within the business areas together with the relevant variances reporting. Candidates, aged 28-40, must be qualified accountants with a number of years relevant experience within complex manufacturing environments and have ideally been involved in developing management information systems with particular emphasis on standard cost. The ability to drive forward the necessary systems requirements is paramount. On satisfactory completion of this initial project, there is a definite opportunity to become Financial Controller—this role encompassing all accounting functions of the Company. Benefits are commensurate with a major plc and include relocation assistance where applicable. Job Ref: 29669/FT.

G. Soble, Male or female candidates should telephone in confidence for a Personal History Form, 061-832 3500, Hoggett Bowers plc, St. John's Court, 78 Gortside Street, MANCHESTER, M3 3EL, quoting the appropriate reference number.

## Financial Controller

London Insurance Broking Group

A medium sized, independent insurance broking group requires a controller to manage its finance department. Reporting directly to the Executive Committee, they will be responsible for providing an accounting and management information service to subsidiary companies which specialise in personal financial services, aviation, marine and overseas insurance and reinsurance. They will manage an accounts team and lead the computer and systems function.

Ideal candidates will be chartered accountants, aged around 30 with at least four years experience gained in an insurance or broking environment. Strong technical accountancy skills must be supported by a desire and ability to review and develop sophisticated computer information systems. Strong management skills to lead and develop the accountancy team are essential.

Remuneration c£27,500, company car, pension, medical insurance and benefits.

Location—Central London

Please reply in confidence to: John P Cornish (Ref 4661)

KMG Thomson McLintock  
Management Consultants  
70 Finsbury Pavement London EC2A 1SX

## Financial Controller

Central London

c. £20,000 + car

Our client is a small but growing group of companies operating in three main business areas; personnel recruitment, executive training and magazine publishing.

A Chief Accountant/Financial Controller is required to join a young, professional management team and to assume responsibility for all aspects of the group's financial and management accounting and for the company secretarial function. This will include the preparation of statutory accounts and VAT returns and the provision of timely and accurate management information. The business is a fast moving one but requires attention to detail in accounting matters, particularly in the areas of budget monitoring and cash control.

The person appointed will also be expected to make a general contribution to the direction of the group, and to work with operations management in

enhancing efficiency and profitability. As the group expands, there will be opportunities for increasing responsibility and remuneration.

Candidates, ideally mid to late 30's and qualified accountants, should have previous experience of managing an accounts department within a service industry. Familiarity with computerised accounting systems and good staff management skills are also required.

Please write in confidence, enclosing career details and quoting reference: 3433/L to Valerie Fairbank, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

PEAT  
MARWICK

## GROUP FINANCIAL CONTROLLER SALARY NEGOTIABLE, VICTORIA, LONDON

A small but rapidly expanding Public Company requires a young

QUALIFIED ACCOUNTANT

to assume responsibility for the financial management of a variety of commercial enterprises within the organisation. Candidates, aged c. 30, must demonstrate a sound professional training and discipline, combined with a strong commercial ability and flexible attitude. Previous commercial experience and exposure to acquisitions/disposals and corporate finance would be advantageous. This is an exciting entrepreneurial environment, demanding total commitment but offering rich rewards.

Please apply in strictest confidence enclosing full c.v. and desired salary to Company Secretary:  
Box A0103, Financial Times  
10 Cannon Street, London EC4P 4BY.

## Group Financial Controller

... with board membership potential  
to £25,000 + 2 litre car + benefits

Our client is a successful and expanding group of private companies, turnover £35 million per annum, engaged in a wide range of trading activities. The management style has a strong performance orientation with emphasis upon the achievement of corporate and personal objectives within the framework of clearly developed operating plans.

Working with key Executives at the most senior level, your major responsibility will be the design and implementation of financially-based reporting systems which provide clear and current financial information on Group performance. Involvement in corporate acquisitions is also envisaged.

A qualified Accountant in your mid/late 30's, you will have at least five years' senior experience of sophisticated management accounting practices gained in a profit-accountable environment. A background in the services sector together with knowledge of acquisition processes would be an advantage.

The remuneration package includes salary with performance related bonus as indicated, company car and generous assistance with relocation expenses, where appropriate.  
Please write—in confidence—with full details to P.F.T. Roberts ref. B.63157.

This appointment is open to men and women.

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MANAGEMENT SELECTION

## FINANCIAL DIRECTOR

Consumer  
Durables

Essex

c.£26,000 + Car

- Do you think like a General Manager?
- Can you make a positive contribution to company strategy and future long-term profitability at board level in a market-led American company?
- Are you a qualified Accountant, fully experienced in multi-product manufacturing, aged 33-45?

This appointment offers an exceptional opportunity for career development in a very profitable company.

Salary will vary with experience and will comprise a high basic and profit-related bonus.

Please write or ring Anthony Falcon, quoting ref. 469A.

COURTENAY STEWART INTERNATIONAL LTD.  
Management Selection and Recruitment Consultants  
3 Hanover Square, London W1R 9RD. Tel: 01-491 4014.

## International Trading

Financial Controller c.£30K + car

An expansionist minded M.D. was appointed to our client company some three years ago and has been achieving both diversification and profitable growth from their base of well-established commodities business in the City of London. It is part of a much larger international concern.

Due to the growth of business, they are seeking a qualified accountant to join as Financial Controller reporting directly to the Board and providing advice to the Board on policies, strategies, tax, budgets and allocation of funds.

In addition, the Controller will be wholly responsible for the day-to-day effectiveness and long term development of the finance function, including staff management, motivation and training; the assessment, implementation and supervision of effective financial controls; and the DP function, which is about to be upgraded.

Candidates must have at least five years' post-qualification experience in a commodity trading house or in a company with a heavy engagement in international trade. Probably aged 30-45, they will possess the personality to contribute to, as well as survive, in this demanding environment.

Please send career details, in confidence, to Peter T. Willingham, quoting reference LM 26, Executive Selection, Spicer and Pegler Associates, Foxy Court, 65 Crutched Friars, London EC3N 2NP.



Spicer and Pegler Associates  
Management Services

## FINANCIAL CONSULTANTS

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10 Cannon Street, London EC4P 4BY

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SECTION II - COMPANIES AND MARKETS  
**FINANCIAL TIMES**

Thursday April 10 1986

**REID & TAYLOR**  
THE WORLD'S MOST EXPENSIVE TWIST SUITING CLOTH

**Hoechst to pay more after 10% advance**

BY JOHN DAVIES IN FRANKFURT

**HOECHST**, the West German chemical concern, has confirmed that it plans a dividend increase after boosting its worldwide pre-tax profits by 10.7 per cent to DM 3.16bn last year.

It had long been expected that Hoechst and the other big West German chemical groups, BASF and Bayer, would raise their dividends on last year's buoyant earnings. All will decide on their 1986 payout within the next few weeks.

BASF last week announced a 20.6 per cent rise in group pre-tax profit to DM 3.04bn in 1985, while Bayer reported this week that its group pre-tax profit rose 8.4 per cent to DM 3.15bn.

All three chemical companies paid a dividend of DM 9 per share on their 1984 earnings and DM 7 per share for 1983.

Hoechst increased its worldwide sales revenue by 3.1 per cent to DM 42.72bn last year, with domestic sales up 5.4 per cent and foreign

sales 2.3 per cent ahead. It said the higher revenue was mainly due to an increased volume of sales, as prices were only slightly higher on average than in 1984 and were declining in the fourth quarter.

Lines of business which showed the sharpest increase in sales included dyes, pigments, pharmaceuticals and industrial gases.

Sales went ahead strongly in Europe, but Hoechst suffered a setback in both sales and earnings in the US in dollar terms last year.

With the decline in the dollar, the West German chemical companies have all been facing the prospect of lower revenues from the US in terms of D-Marks. Sharper competition from US chemical concerns in international markets has also been putting pressure on prices of some chemical products.

Hoechst said the parent company's export revenues were declining as a result of the fall in the dollar,

but domestic demand was continuing to develop well.

Parent company sales last year were up 7.3 per cent at DM 15.35bn, with domestic sales showing a 9.1 per cent rise to DM 6.84bn and foreign sales a more moderate 5.9 per cent increase to DM 8.51bn.

The parent company's pre-tax profits rose 22 per cent to DM 1.62bn.

Since their setback in 1982, the West German chemical companies have made a strong comeback, aided by world economic recovery and the high US dollar. Profits have increased much faster than sales revenue, because capacity use has increased and because some loss-making areas have been successfully restructured.

Despite pressures now arising from the lower US dollar, the West Germans stand to gain on the cost side with the slide in oil prices and the virtual standstill in the country's overall inflation rate.

**J. P. Morgan's shares leap after 42% earnings gain**

BY PAUL TAYLOR IN NEW YORK

**J.P. MORGAN**, the fifth largest US banking group and the first money centre bank to report its quarterly results, yesterday posted a sparkling 42 per cent gain in first-quarter net earnings. The bank said the gain came largely from an increase of nearly 80 per cent in non-interest operating income, mainly resulting from sharply higher foreign exchange and securities trading profits.

Wall Street had been expecting the New York-based group to post a handsome gain, but the results were considerably better than most estimates. Reflecting this, J.P. Morgan's stock jumped 3 1/2 to 7 3/8 a share in early trading yesterday.

The results also highlight the sharp divergence between the performance of big regional and New York banks and their counterparts with heavy exposure to the troubled energy and agricultural sectors.

J.P. Morgan, whose main bank operating unit is the Morgan Guar-

anty Trust Company of New York, said first-quarter net earnings increased to \$233.9m or \$2.56 a share from \$164.6m or \$1.85 a share in the corresponding period a year earlier. Net interest income grew by 16.5 per cent to \$499.4m from \$428.3m, reflecting wider net yield margins and higher average earning assets.

However, the big gains came in non-interest operating income, which jumped by 89.3 per cent to \$348.4m from \$184m. The advance reflects substantial net gains on the sale of investment securities and foreign exchange trading. Net investment securities gains in the latest quarter jumped to \$36.1m from \$7.1m a year earlier, reflecting the impact of the recent bull bond market rally on sales of US government securities, while exchange trading income more than tripled to \$72.6m from \$23m a year earlier.

Partly offsetting these strongly positive factors were increases in non-interest expenses, higher in-

come taxes and larger provisions for possible credit losses - which covered bigger net charge-offs and a further bolstering of loan loss reserves.

During the quarter the group made provisions for possible credit losses of \$70m, up from \$30m in the 1985 period. After net charge-offs of \$45m compared with \$14m a year earlier, the group said its end-quarter reserves for possible credit losses stood at \$815m, up from \$598m a year earlier and \$793m at the end of December. At the end of March non-performing loans amounted to \$88.4m, down from \$87m a year earlier.

Other non-interest operating expenses grew to \$315.2m from \$222m, with more than half the increase reflecting higher personnel costs, including performance-linked bonuses.

Texas Republic Bank results, Page 23

**Whirlpool well ahead in first quarter**

By Paul Taylor in New York

**WHIRLPOOL**, the US home appliances group which has recently completed a string of acquisitions, yesterday reported sharply higher first-quarter net earnings, buoyed by improved profits from its Whirlpool Acceptance financing unit and from the Heil-Quaker heating and air-conditioning subsidiary together with a special pension accounting gain.

The Michigan-based group said net earnings jumped by almost 27 per cent to \$48.26m or \$1.34 a share from \$38.92m or \$1.06 a share in the first quarter last year.

The pension accounting change added 10 cents a share to earnings.

Mr Jack Sparks, chairman, noted that sales in the latest period grew by 10.2 per cent to \$870.6m from \$790.2m in the 1985 period. The sales increase reflected the acquisitions of Mastercraft Industries, a kitchen cabinet maker acquired in December and of Dart and Kraft's KitchenAid subsidiary, which was acquired at the end of January.

Whirlpool said the newly acquired operations added \$41.6m in combined sales to first-quarter operating results. Whirlpool's results are likely to be further boosted by its latest deal, announced a few weeks ago, under which it plans to acquire a majority interest in Aspera, a Turin-based subsidiary of Italy's Fiat group which manufactures kitchen appliances and air-conditioning compressors.

Mr Sparks, commenting on the outlook for the home appliance industry this year, said economic conditions are expected to remain relatively stable, maintaining consumer confidence. He added that lower interest rates should continue to support the building sector, resulting in solid new construction-related demand.

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**Dow Jones operating earnings slip**

By Our Financial Staff

**DOW JONES**, publisher of the Wall Street Journal, reported operating net earnings for the first quarter of \$30.4m or 47 cents a share, down slightly from \$32.7m, or 51 cents last time.

But at the net level profits were nearly double at \$61.8m or 96 cents a share following an after-tax gain of \$31.4m this quarter from the sale of 2m shares of Continental Cablevision.

Revenues were flat at \$64.5m, against \$64.3m.

The Continental Cablevision stock, part of a block purchased in 1981 for \$25 a share, was sold for \$50 a share.

Dow said operating income in the latest quarter was \$54.3m, down 4 per cent from \$56.6m in the same quarter a year earlier. The decline reflected continued softness in national advertising and significant increases in depreciation charges and building rent, connected with press capacity expansion.

Wall Street Journal advertising lineages declined 10.4 per cent in the quarter.

**Husky delays scheme to upgrade oil**

By Robert Gibbins in Montreal

**CANADA'S** only remaining energy mega-project, the CS3.2bn (US\$2.2bn) Husky Oil upgrading scheme at Lloydminster on the Alberta-Saskatchewan border, has been delayed further until the oil price situation clears. The project needs an oil price of US\$25 a barrel, or double present rates, to be viable.

The project has been in the planning stage for several years and would upgrade heavy oil to refinery grade material.

However the federal Government and Alberta and Saskatchewan have agreed to share the CS90m cost of engineering work already done and to be continued over the next year or two. A final decision is not expected before 1987.

AN INDUSTRY NEAR TO EVERY FRENCHMAN'S HEART FACES A SHAKE-UP  
**Crunch time for French food**

BY DAVID HOUSEGO IN PARIS



Claude-Noel Martin of Générale Biscuit (left) and Antoine Riboud of BSN plan to meet soon

**THE MEETING** soon between Mr Antoine Riboud, chairman of BSN, France's largest food and drinks group, and Mr Claude-Noel Martin, head of Générale Biscuit, the country's leading biscuit manufacturer, is likely to be a landmark in the reshaping of the French food industry.

Takeover battles have dominated the food sector in the US and Britain and are beginning to spill into France. Both BSN and Générale Biscuit are themselves objects of potential takeovers.

Among the big international groups believed to be quietly building up stakes in BSN through share purchases on the Paris bourse are Unilever, the European giant, and Procter and Gamble, the US concern.

BSN was recently thwarted in its effort to expand in Europe and in pasta and dried food goods by Mr Carlo De Benedetti's pre-emptive takeover of Buitoni. The group has just acquired more than 20 per cent of shares in Générale Biscuit to prevent "foreign intrusion" into Générale's capital.

The meeting between the two French groups could put to the test the free market philosophy of France's new right-wing Government. Right-wing governments in France have in the past looked unfavourably towards foreign purchases of chunks of French industry and have always kept a paternal eye on domestic mergers and linkups.

An unpublicised aim of President Valéry Giscard d'Estaing was to endow France with a large national food group - a French Nestlé.

The meeting brings together two men who have both won respected positions in the French private sector but who have different styles of management and different approaches to expansion. Both are close to retirement and thus anxious to assure the long-term future of groups they have created.

BSN is a company which, after shedding its glass activities, has grown by acquisition and which is kept under a tight rein by Mr Riboud. Its ambitions are to enlarge its international interests - 75 per

cent of BSN's turnover is still generated in France - by expanding further its dried food interests, pasta, biscuits and canned food. However, it is a group living with the reputation of having slowed down after a modest 5.6 per cent profit increase last year and its failure to gain control of Buitoni.

Générale Biscuit - a much smaller group with a turnover of FF1.68bn (\$818m) as compared with BSN's FF1.28bn - has been put together through what Mr Martin likes to call friendly tie-ups with other French and European biscuit manufacturers, many of them former family concerns. Mr Martin's policy has been to give companies he has taken over a good deal of financial autonomy and to leave the former management in charge.

It is only in this way that the family firms who still have a substantial market share in Europe will join in, he says.

Thus the meeting between Mr Riboud and Mr Martin marks a crossroads between a BSN strategy basing expansion on well timed and often aggressive acquisitions and Générale's belief that Europe's national food groups can avoid costly and wasteful takeover battles by joining forces to achieve the scale

demanded by the European, and finally, world market.

Before Mr Riboud's unexpected raid on Générale's shares, Mr Martin had been touring the world sounding out his colleagues on his ideas - including Mr Riboud himself. Taken back to France by BSN's somewhat "brutal" move, he nevertheless believes "that perhaps there is something intelligent we can do together."

BSN has a foothold in the biscuit sector through Liebig, its subsidiary which makes "Cracottes". Générale has 15 per cent of the European market in biscuits (outside Britain and 8 per cent of the US).

Mr Martin believes French food groups urgently need to achieve a larger European and international dimension because they are dwarfed beside the big US and European groups.

The total market capitalisation of the largest French groups - Moët-Hennessy, BSN, Pernod Ricard, Pernier, Bongrain, Veuve Clicquot, Générale Biscuit, Martel-Bel, Le Sieur, Saint Louis - is FF148bn. Together they are smaller than any one of the "big four" - Philip Morris General Food, Nestlé, Reynolds Nabisco, Unilever - which capitalise individually at between FF180bn and FF190bn.

In the biscuit industry, Mr Martin had in mind a European link-up that could have brought together such national groups as Britain's United Biscuits (at least their biscuit interests), Générale Biscuit of France, Barilla of Italy and Bahlsen of West Germany.

Their interests are complementary because their markets are largely regional. He thinks it possible to imagine a consortium with 20 to 45 per cent of the European market, depending on the country, and able to benefit from the economies of scale, research and marketing that such size would bring.

In the long term, Mr Martin believes the goal should be worldwide link-ups - though on a looser basis - under which US, Japanese and European food groups could pool resources over research and the marketing of their individual brand names.

**Celanese earnings jump 42%**

By Our Financial Staff

**THE FALL** in the value of the dollar, lower oil prices and a reduced effective tax rate enabled Celanese, the big US chemicals and man-made fibres group, to boost first-quarter profits by 42 per cent.

Net earnings jumped from \$38m or \$2.86 a share, a year ago to \$55.1m or \$4.13, despite virtually unchanged sales of \$747m.

Mr John Macomber, chairman and chief executive, said operating income in the quarter was very good, particularly in chemicals, where income per share jumped from 30 cents a year ago to \$1.57.

The fall in the dollar particularly helped commodity chemicals, but Mr Macomber also noted "ongoing strength in textile filament, industrial yarns, smoking products and engineering resins."

On the chemicals side, positive factors included strong export volumes, lower energy costs and continued benefits from a reorganisation completed last year.

Reduced energy prices are particularly important for chemical companies, as they affect the cost of raw materials.

Mr Macomber said lower oil prices would generally benefit the US economy and Celanese. "But product demand and operating rates are also essential in determining how well we do. Equally important is the reduced value of the dollar," he said.

The improved operating conditions have boosted Wall Street's assessment of the company and shares are now standing at around \$200, against a low for the past year of \$88 3/4.

**Drug tampering hits SmithKline Beckman**

BY PAUL BETTS IN PARIS

**SMITHKLINE Beckman**, the US drugs manufacturer, will take a \$8m net charge against first quarter earnings to cover the cost of recalling from the US market three of its non-prescription drugs - including the Contac cold medication - following criminal tampering with these products a few weeks ago.

Mr Henry Wendt, chief executive, said in Paris yesterday that the drugs would be reintroduced in the US market this summer.

Mr Wendt, in Paris for the listing of the US group on the Paris bourse, also disclosed that SmithKline's Tagamet drug remained the world's leading anti-ulcer medicine. The heavy reliance of the company on Tagamet has been one of the reasons why SmithKline has had a

lower price earnings ratio than its main US rivals. Mr Wendt said yesterday that Tagamet accounted for about one third of the group's sales and would represent about US\$1bn in sales this year. It also accounted for about half of the profits.

Despite the heavy dependence on a single product, Mr Wendt emphasised that Tagamet continued to be the company's "single biggest growth opportunity" with every 10 per cent growth in the product representing \$100m in additional sales for SmithKline.

Although Tagamet has faced increasing competition from rival products, especially from Zantac, made by Glaxo of the UK, Mr Wendt said sales were continuing to grow.

**Italian retailer sacks 2,900 in profits drive**

BY ALAN FRIEDMAN IN MILAN

**STANDA**, the retailing subsidiary of Montedison, Italy's biggest chemical group, has dismissed 2,900 employees in an attempt to improve profitability and efficiency. The dismissals represent a 20 per cent reduction in Standa's workforce of 14,152.

Mr Giuseppe Garofano, managing director of Meta, the Montedison holding company which controls Standa, said yesterday that letters were sent to the sacked staff several weeks ago. He said that some 1,750 of the 2,900 dismissed had been on part-time lay-off subsidised by the state since 1981.

Prime Minister Bettino Craxi has referred the Standa redundancies

to the Employment Ministry. Under-secretary Mr Andrea Borruso wants to discuss the matter with trade unions and the Standa management. Mr Garofano said: "If the Government wishes to find a way of helping these workers that is fine with us."

Standa last year suffered a 5 per cent drop in consolidated net profits to 125.5bn. The group's 1985 turnover was 4.7 per cent higher at 12,470bn. Standa, which has 275 outlets in Italy and several European hypermarkets, did not make money on retailing but earned its profit largely on interest from Treasury bonds it holds, Mr Garofano said.

**Newmont warns on Arizona losses**

BY KENNETH MARSTON, MINING EDITOR IN LONDON

**NEWMONT MINING**, the US natural resource company in which London's Consolidated Gold Fields has a 26 per cent stake, expects its world gold properties and interests to produce about 440,000 oz of the metal this year.

Mr Gordon Parker, the chairman, said in the annual report that the addition of by-product gold recover-

ies should increase the total to over 500,000 oz.

Mr Parker also said last year's combined pre-tax losses of \$60.2m at the Magma and Pinto Valley copper operations in Arizona would not be allowed to continue. "They must reduce total costs to levels last seen in the 1970s," he said.

Magma's underground mining methods are being changed and "significant" investments are being made to produce low-cost copper from oxide ores.

Proposals on reducing wage costs have been put to unions representing workers at both mines. "Newmont will not undertake further investment in Arizona copper operations if a return to profitability cannot be foreseen," said Mr Parker.

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# INTL. COMPANIES & FINANCE

Kieran Cooke on the problems of Indonesian state enterprises

## Jakarta's stalled engine of growth

INDONESIA'S 13,000 islands, stretched across an area wider than coast to coast of the US, encompass some of the richest fishing grounds in the world. Supplies of tuna alone are estimated at nearly 3m tonnes a year—more than present world consumption. Yet Perikanan Samudra Besar (PMB), Indonesia's largest fishing company, is bankrupt and its fleet of more than 20 deep-sea boats, equipped with the latest technology, lies idle at a port in Bali.

PSB is state-owned. Bad management and bureaucracy are the two factors usually held responsible for the decline of what could be one of the country's major industries.

The state is involved in almost every sector of the Indonesian economy. There are 215 state companies operating in sectors ranging from plantations to oil, plywood to cement and textiles. The big five state banks account for 77 per cent of total assets in the banking system. Together the state companies contribute half of all government receipts from the corporate sector and make up 22 per cent of gross domestic product. At the beginning of 1985 the combined assets of these companies amounted to \$76.7bn.

Few other figures are available. As in most areas of business in Indonesia, secretiveness prevails. Only Garuda, the state airline, issues regular and fully audited accounts. Pertamina, the state oil and gas company, has only recently begun to issue any profit and loss figures. Statistics issued by other state companies are incomplete and often show glaring inconsistencies from year to year.

Recent calls for the Government to be more open about the state companies are run have had little effect. Management in those enterprises has often been treated on a siccure



Businessman Liem Sioe Liong (right) with Economy Minister Ali Wardhana.

basis, with many directorships given to loyal former army colleagues of President Suharto. Trained and competent managers have meanwhile preferred to go into the private sector.

One often-quoted assessment of the performance of state enterprises is that they are responsible for up to 80 per cent of the so-called "high-cost" economy in Indonesia—where goods and services costs are considerably higher than abroad.

In the early stages of Indonesia's current development programme, initiated when Mr Suharto came to power in the late 1960s, the state acted as the engine of growth. It disbursed the massive amount of foreign aid granted through such organisations as the Inter-governmental Group on Indonesia (IGGI), which last year made total grants of \$2.4bn. The Suharto Government also

bureaucratic and have inefficient financial muscle to take on the private sector enterprises. The Government is partly responsible for this: it has encouraged the growth of only a few big companies by granting lucrative licences and facilitating monopoly control.

The diversified group of Mr Liem Sioe Liong, the Indonesian Chinese entrepreneur, is the main recipient of government licences and has several joint operations with government concerns. Much criticism was caused last year by a \$255m government payout for 35 per cent of Indocement, Liem's main company.

Reports at the time said had planning and over expansion of cement production had resulted in severe difficulties for the group.

The plantations sector is an area of particular state dominance with more than 90 per cent of Indonesia's vast rubber, palm oil, cocoa, coffee, tea and other estates run by civil servants.

The Government tends to be the only source of large capital funding such enterprises require, particularly in their initial stages. In addition the whole question of land holding is very sensitive: foreigners are not allowed to hold title to land and are forced to find a local partner. Often this means going into a joint venture with a state company.

There are some signs of change, however. One is a growing realisation that the state can no longer afford to subsidise a large number of costly enterprises. Some state companies have already taken steps to reduce the number of their employees. Others have been told to produce full accounts. The challenge will be whether basic attitudes can be changed from dependence on the state to a more independent approach, based on the private sector.

## Moeller lifts oil and gas earnings

By Hilary Barnes in Copenhagen  
A. P. MOELLER, the Danish shipping, oil and industrial group, increased profits from North Sea oil and gas operations last year but earned less from shipping.

Gross operating profits in the main shipping division, tankers and liners, with assets of Dkr 18bn, were down from Dkr 1.9bn to Dkr 1.53bn (\$178m) although the 1984 figure included Dkr 315m from ship sales. After depreciation profits decreased from Dkr 901m to Dkr 530m.

Transfers to the division of Dkr 300m from the Moeller's twin parent companies, 1912 and Sverdrup, limited the decline in net profits to Dkr 830m, compared with Dkr 901m in 1984.

Gross operating profits from oil and gas increased from Dkr 1.04bn to Dkr 1.55bn. Depreciation costs increased from Dkr 272m to Dkr 950m, but there was an unrealised exchange rate profit of Dkr 437m, compared with a loss of Dkr 250m in 1984.

Earnings from oil and gas before tax and allocations to the parent companies increased from Dkr 246m to Dkr 1.14bn, with net profits rising equally steeply from Dkr 82m to Dkr 124m. As for the results of the two parent companies, net profits at Sverdrup were little changed, easing by Dkr 2m to Dkr 166m while those for 1912 slipped from Dkr 102m to Dkr 99m.

## Email gains control of Simpson

BY LACHLAN DRUMMOND IN SYDNEY

EMAIL, the Australian white goods and building products group, yesterday secured control of Simpson Holdings, a home appliances rival, as the pledging of key family shareholdings took its stake above 60 per cent.

At the same time Hooker Corporation, the property group which is Email's own sister, began an insider trading action against the underwriter of Email's proposed \$328m (US\$20.2m) share placing and a further action alleging breach of duty by Email directors in approving the placement.

Email's intended move would dilute Hooker's existing 17.5 per cent and increase the stake of opposing-friendly forces close to 50 per cent.

Its AS1.70 a share bid values Simpson at A\$55m and gives it leading market shares in electric cooker ranges, washing machines, clothes driers and dishwashers to add to its own leading position in the refrigerator, freezer and air conditioning market.

Mr. Broken Hill Proprietary (BHP) has taken legal action to block Bell Resources latest takeover offer. Tomorrow the court is due to hear BHP's allegation that takeover documents registered on Monday contain false and misleading material. Restat reports from Melbourne.

## Grumman wins \$1bn order for vans

BY WILLIAM HALL IN NEW YORK

GRUMMAN CORPORATION, the New York-based conglomerate, has won a \$1.1bn order to provide 99,150 delivery vehicles to the US postal service, the largest order in its history.

The long-life vans feature an aluminium body to save weight and resist corrosion and will have a life expectancy of 34 years compared with eight years for current postal vans. The power train should last 12 years.

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In accordance with the terms and conditions of the Notes, notice is hereby given that for the three month Interest Period from (and including) 8th April, 1986 to (but excluding) 8th July, 1986, the Notes will carry a rate of interest of 10 1/4 per cent per annum. The relevant Interest Payment Date will be 8th July, 1986. The Coupon Amount per £10,000 will be £271.13, payable against surrender of Coupon No 2.

Hambros Bank Limited, Agent Bank

Jeff Smith

### INTL. COMPANIES & FINANCE

## Agusta lifts sales and cuts losses

By James Buxton in Rome

AGUSTA, the Italian aerospace company which took part in the successful Westland Helicopters consortium bid for Westland Helicopters of the UK, substantially reduced its losses last year and increased its turnover by 30 per cent.

The consolidated group loss fell to about L52m (\$51m) for 1985, compared with a loss in 1984 of L144.4m.

Sales on a consolidated basis were put provisionally at L1.125bn for 1985, compared with L861bn in 1984. Overall debt fell by 25 per cent to L1.251bn at the end of last year, the company said.

The consolidated group figures were released after the board of the state-controlled company approved definitive results for Agusta's main helicopter-producing subsidiary, Costruzioni Aeronautiche G. Agusta. These showed a profit of L70m, the first for three years. In 1983 this subsidiary lost L45m; in 1984 the loss was a marginal L36m.

Sales of the subsidiary were up 38 per cent at L755m, compared with L552m in 1984.

Agusta attributes the jump in turnover both for the main helicopter subsidiary and for the group as a whole to increased sales of helicopters, principally the A109 and the AB321.

The group said that three other subsidiaries - Agusta International, Agusta Aviation and Agusta Sisma - would soon be reporting profits, while the losses of other subsidiaries would be reduced.

In 1984, Stai Marchetti, the subsidiary which makes fixed-wing aircraft, lost L42.5m.

## Wickes in \$1.2bn offer for National Gypsum

BY TERRY BYLAND IN NEW YORK

IN AN important step in the corporate restructuring undertaken since its return from bankruptcy 18 months ago Wickes Group has offered \$1.2bn or \$34 a share in cash for the equity of National Gypsum, which produces 25 per cent of US gypsum output.

Wickes said its offer was "superior" to the leveraged buyout plan for Gypsum by its own management, whose \$41 a share cash plus \$27 a share in long-term debentures, has been valued at \$32 a share by market analysts.

The Santa Monica building products group plans to begin "as promptly as possible" a tender offer for any or all of Gypsum's 23.2m outstanding shares.

Aancor Holdings, acting for the management buyout group and advised by Goldman Sachs, is believed to be assembling finance for its own offer, which would be subject to approval from Gypsum stockholders.

Wickes, which disclosed three weeks ago that it planned a large acquisition with the estimated \$800m to be raised from proposed disposals, said Drexel Burnham Lambert, the investment banker, was confident it could arrange financing for the Gypsum bid.

After emerging from the second largest bankruptcy proceeding in US business history Wickes has said it will focus its operations into three groups - lumber and home furnishings, clothing and hosiery, and manufacturing and automotive parts.

Mr Alfred Taubman, the US property developer and businessman, has raised his offer for Pulitzer Publishing by \$125m to \$625m. The bid comprises \$450m in cash and the rest in new preferred stock.

Lazard Freres, representing the Quesada family and other shareholders owning 43 per cent of the US publishing empire, said its clients would support the offer.

The family of the founder, Joseph Pulitzer, is considering the latest offer, which is said to give them 25 per cent more cash than the earlier all-cash bid which they rejected.

Mr Taubman is also chairman of Sotheby's Holdings, the London art auctioneers. He raised \$650m through a large institutional refinancing deal in September, using his stake in 17 regional shopping centres, valued at \$2bn, as collateral.

## Republic Bank first-quarter profits fall 35% to \$23.1m

BY WILLIAM HALL IN NEW YORK

REPUBLIC BANK, the biggest of the Texas banking groups, reported a 35 per cent drop in first-quarter net income to \$23.1m.

Its results come only a few days after MCorp, one of its local rivals, said it would announce a first-quarter loss of up to \$130m because it had to bolster its reserves against losses in energy lending.

Republic, which is regarded as one of the more conservative and better-managed banks in Texas, has shown in its latest results that the effects on the banking system of the dramatic collapse in oil prices are going to be mixed.

Republic attributed the drop in its first-quarter earnings to an increase in its loan loss provisions. It said this reflected the recent decline in oil prices and expectations that they would average slightly more than \$18 a barrel over the next three years.

Until recently most bankers had thought oil prices would not fall below \$20 a barrel when they reviewed their loan portfolios. But MCorp used a price of \$15 a barrel when it reviewed the quality of its loan portfolio.

Although Republic's earnings have not been decimated by the oil collapse, the rise in its non-performing loans, to \$626m, or 4 per cent of the total, underlines the scale of the drag on earnings which problem assets are now causing.

Republic's net charge-offs in the latest quarter totalled \$16m and it increased its reserve for loan losses to \$361m, or 1.7 per cent of outstanding loans, at the end of March.

## State Bank of India

State Bank of India announces that its base rate is reduced from 11 1/2% to 11% per annum with effect from April 9th, 1986

Deposit Rates are	Gross Interest	Net Interest
7 days' notice	7.49%	5.25%
21 days' notice	8.22%	5.75%

Interest paid half yearly

Main Office in the U.K.  
State Bank House, 1 Milk Street, London EC2

### BASE LENDING RATES

ABN Bank	11%	Grindlays Bank	11 1/2%
Allied Dunbar & Co.	11%	Guinness Mahon	11%
Allied Irish Bank	11 1/2%	Hambros Bank	11 1/2%
American Express Bk.	11%	Heritable & Gen. Trust	11 1/2%
Amro Bank	11%	Hill Samuel	11 1/2%
Henry Ansbacher	11 1/2%	C. Hoare & Co.	11%
Associates Cap. Corp.	11 1/2%	Hongkong & Shanghai	11 1/2%
Banco de Bilbao	11%	Johnson Matthey Bkrs.	11 1/2%
Bank of Cyprus	11%	Knowles & Co. Ltd.	11 1/2%
Bank of India	11 1/2%	Lloyds Bank	11%
Bank of Scotland	11%	Edward Mansel & Co.	12%
Bank of Ireland	11 1/2%	Mehraji & Sons Ltd.	11%
Bank of Kuwait	11%	Midland Bank	11%
Bank of Leumi (UK)	11%	Morgan Grenfell	11 1/2%
Bank Credit & Comm.	11 1/2%	Mount Credit Corp Ltd	11 1/2%
Bank of Oman	11%	National Bk. of Kuwait	11 1/2%
Bank of Singapore	11%	National Girobank	11%
Bank of Tokyo-Mitsubishi	11 1/2%	National Westminster	11%
Barclays Bank	11 1/2%	Northern Bank Ltd.	11%
Beneficial Trust Ltd.	12 1/2%	Norwich Gen. Trust	11%
Brit. Bank of Mid. East	11%	Peoples Trust	12%
Caixa de Penedones	11%	PK Financ. Intl. (UK)	12 1/2%
Canada Permanent	11%	Provincial Trust Ltd.	12 1/2%
Cayzer Ltd.	11%	R. Raphael & Sons	11%
Cedar Holdings	12%	Roxburgh Guarantee	12%
Charterhouse Japhet	11 1/2%	Royal Bank of Scotland	11 1/2%
Citibank NA	11%	Royal Trust Co. Canada	11%
Citibank Savings	11 1/2%	Standard Chartered	11 1/2%
City Merchants Bank	11 1/2%	Trustee Savings Bank	11%
City of Glasgow	11%	United Bank of Kuwait	11%
C. E. Coates & Co. Ltd.	12 1/2%	United Mizrahi Bank	11%
Comm. Bk. N. East	11%	Westpac Banking Corp.	11 1/2%
Consolidated Credits	11 1/2%	Whiteway Laidlaw	11 1/2%
Continental Trust Ltd.	12 1/2%	Yorkshire Bank	11%
Co-operative Bank	11%	The Cyprus Popular Bk	11%
The Cyprus Popular Bk	11%	Duncan Lawrie	11%
The Equitable	11%	E. T. Trust	12 1/2%
First Nat. Bk. of Ind.	11 1/2%	Exeter Trust Ltd.	11%
First Nat. Fin. Corp.	12 1/2%	Financial & Gen. Sec.	11%
First Nat. Fin. Corp.	12 1/2%	First Nat. Fin. Corp.	12 1/2%
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First Nat. Fin. Corp.	12 1/2%	First Nat. Fin. Corp.	12 1/2%

## Base Rate Change

With effect from Wednesday, 9th April, 1986 Base Rate changes from 11.50% to 11.00% p.a.

Deposit rates will become:	GROSS INTEREST	NET INTEREST
Interest paid half-yearly	7.03%	5.25%
7 days notice	7.03%	5.25%
1 months notice	7.38%	5.50%

THE CO-OPERATIVE BANK  
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Deutsche Siedlungs- und Landesrentenbank Bonn-Berlin **DSL Bank**


**DM 100 000 000,—**  
Floating Rate Notes  
Schuldverschreibungen - Serie 185 - 1985/1995  
WKN 244 275

For the three months 10th April, 1986 to 9th July, 1986 the notes will carry an interest rate of 4.45% (Floor less 0.10%) per annum with a coupon amount for DM 55.63 per DM 5 000,— note. The relevant interest payment date will be 10th July, 1986.

Listed on the Düsseldorf Stock Exchange

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March, 1986

NEW ISSUE This announcement appears as a matter of record only April, 1986



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**¥20,000,000,000**

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**TOTAL REDEMPTION AMOUNT U.S. DOLLARS 115,440,000**

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Weekly net asset value

**Tokyo Pacific Holdings (Seaboard) N.V.**  
on 7th April, 1986 US \$ 123.21

Listed on the Amsterdam Stock Exchange

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Heregracht 214, 1016 BF Amsterdam.

£200,000,000



**Nationwide Building Society**

Floating Rate Notes Due 1995

Interest Rate	10 7/8% per annum
Interest Period	8th April 1986 to 8th July 1986
Interest Amount per £5,000 Note due 8th July 1986	£135.57

Credit Suisse First Boston Limited  
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**AIBD BOND INDICES**

WEEKLY EUROBOND GUIDE APRIL 4 1986

	Redemption Yield	Change on Week	12 Months High	12 Months Low
US Dollar	9.361	-0.647	12.040	9.327
Australian Dollar	13.234	-1.106	14.630	12.600
Canadian Dollar	10.944	-0.636	12.670	10.723
Euro-dollar	6.148	-1.946	7.380	6.084
Euro Currency Unit	8.819	0.193	9.970	8.739
Yen	6.666	0.346	7.330	6.607
Sterling	10.288	2.983	11.932	9.990
Deutsche Mark	6.532	-1.120	7.510	6.532

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INTERNATIONAL COMPANIES and FINANCE

Isro warns Government over market regulation

BY ALEXANDER NICOLL

THE INTERNATIONAL Securities Regulatory Organisation (Isro) warned yesterday that it will not be able to operate as a self-policing body for London's international capital markets unless it is given protection against litigation.

London-based Euromarkets. Isro is leading a joint initiative of SROs, including the London Stock Exchange, to seek from the same form of exemption from litigation that will be enjoyed by the SIB. The SROs have jointly sought legal advice on exactly what sort of protection to seek and plan their approach to the Government on the issue.

Both Conservative and Labour members of Parliament have argued for indemnifying SROs. Isro is hoping that the Bill will be amended at the "report" stage now about to begin in the House of Commons, or subsequently in the House of Lords.



Jonathan Agnew, Isro's new chief executive who wants the same protection as the SIB

up operations in London because of uncertainties raised by the Bill. Many other aspects of the function of Isro and other SROs remain to be settled. These include the nature of the "lead regulator" where a securities house has to join more than one SRO in order to carry out all the businesses it wants. The "lead regulator" would be that which regulated the house's major business. But at present this role would include only the assessment of the house's capital adequacy.

Record sterling issue by Midland

BY CLARE PEARSON

HOPES OF discount rate cuts in Japan and the US boosted domestic markets and Euro-bond prices yesterday, although few of the currency sectors seem to be in buoyant mood. The day's crop of issues in a variety of currencies met with a varied reception.

Bank of Yokohama, the largest regional Japanese bank, launched a \$100m five-year bond paying interest at a rate of 7 1/2 per cent and priced at 101 1/2. The bond was quoted by the lead manager Bankers Trust at a bid price of less than 101 per cent, a discount equivalent to the total fees, although elsewhere in the market it was quoted outside this level.

three years' time although it is extendible at the borrower's option till 1992. The investor has the option to put the bond in 1989. The bond pays interest at 15 per cent and the price was 100 1/2.

novel restructuring of two existing bonds. Until May 12 holders of the borrower's two 12-Mark bonds which mature in 1982 and 1983 will be offered the option to exchange these on their maturity dates for a perpetual bond paying 7 per cent interest. This will be callable on various dates thereafter.

Lonrho launches \$100m convertible bond

LONRHO, the diversified British company, yesterday launched a \$100m convertible Eurobond issue, having obtained approval for a small increase in authorised share capital after Tuesday's annual general meeting, writes Clare Pearson.

the strong rise in Lonrho's share price since Gulf Fisheries disposed of its 7 1/2 per cent stake in the company last autumn, after which speculation has mounted in the City that Lonrho may be a bid target.

compon on the debt is 5 per cent. The dividend yield on the equity is about 4 per cent. The conversion premium - the amount above the current share price at which the bonds can be converted into equity - is expected to be 2 to 5 per cent.

which is believed to have been converted into equity, was issued last May with a coupon of 6 1/2 per cent. Lonrho said that the welcome given to the last issue, after which the share price appreciated, had encouraged the company to launch a further bond.

Convertible issues by British companies are rare occurrences in the Eurobond market, although such companies as BTR and Smith and Nephew, and Lonrho itself, provide precedents. The issue takes advantage of

Barings gains approval for Seoul office

By Our Financial Staff BARING BROTHERS, the UK merchant bank, has received permission from the South Korean Government to open a representative office in Seoul.

Thomson unit may seek USM listing

THOMSON, the French state electronics and defence group, is considering the possible listing of one of its electronic components subsidiaries in the previous year earnings were FRF 6.7m on sales of FRF 925m.

LCC saw its net earnings rise to FRF 45.5m (\$6.1m) last year on sales of FRF 921.5m. In the previous year earnings were FRF 4.7m on sales of FRF 865m.

new opportunities both in South Korea and the US. Investments rose from FRF 88m in 1984 to FRF 114.5m last year and are due to rise to FRF 138m this year.

This announcement appears as a matter of record only.

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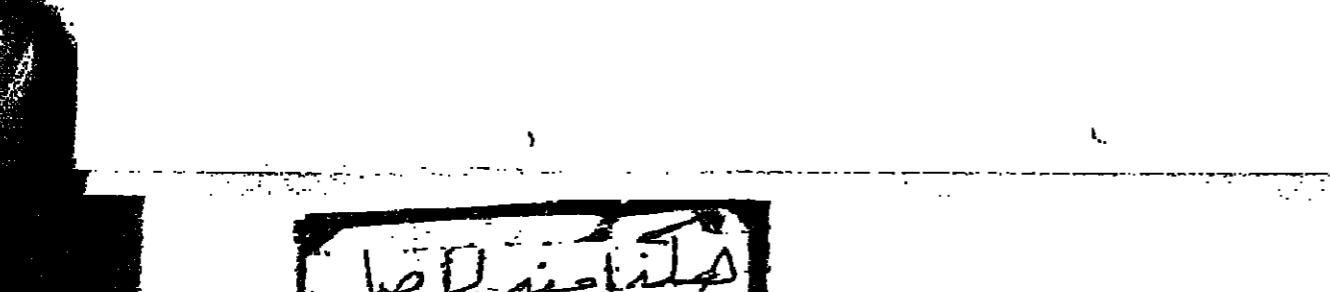
Hong Kong bank rescues 'not automatic'

By David Dodwell in Hong Kong SIR JOHN BREMERIDGE, Hong Kong's Financial Secretary, yesterday insisted that the government should not be "automatically" against any "problems" that could be thrown up by defaulting banks, but warns that official support could not always be expected.

FT INTERNATIONAL BOND SERVICE

Table listing international bonds with columns for Issued, Bid, Offer, Day, Week, Yield, and various bond details.

March 1986





# How Morgan used swaps to reduce financing costs in four currencies for a major U.S. corporation



Arranging complex swap transactions involves Morgan officers around the world. A few members of a typical team are shown here. Meeting in London, from left, are Conrad Voldstad, Michael Enthoven, and Peter Bernard. In New York are Thomas Kalaris, Christopher English, and T.J. Lim.

The Morgan Bank is a world leader in the swap market. More and more of the largest multinationals are choosing us to arrange complex, innovative swaps that reduce borrowing costs and increase control over interest-rate and foreign currency exposures.

A major Fortune 500 corporation, for example, recently sought ideas on providing some \$80 million of funding for subsidiaries in four European countries. Morgan's international funding experts, including swap teams in New York and London, quickly structured an innovative, cost-effective package involving a bond issue plus 13 swaps. Morgan got the deal.

#### Arranging the deal

First we identified the least expensive dollar source of funding for the company—a dollar-yen dual currency issue. This involved a then relatively new bond structure with interest paid in yen and the principal in dollars.

Then we tapped our knowledge of worldwide markets to swap the dual-currency bond cash flows into variable rate financing, and finally executed swap contracts to generate the Deutschmarks,

French francs, Belgian francs, and guilders that the subsidiaries needed. Though the transaction involved seven currencies and nine counterparties in five countries, we did it in less than three weeks.

The result: an estimated savings to the client of about 3/8% per year and tighter control over its long-term risk.

#### Swaps market leader

This transaction is just one example of the kind of innovative swaps we do for our clients. In the past year major corporations, governments, and banks worked with Morgan on over \$20 billion in swaps, in 21 currencies. They came to us for these key strengths:

#### Morgan's worldwide client base and market presence

Our clients include most of the world's top multinationals, financial institutions, and central banks, and we're a leading participant in global capital and credit markets as well as foreign exchange, government bond, and bullion markets. At Morgan we use our market knowledge to match a wide range of avail-

able opportunities to each client's particular needs.

#### Morgan's strong capital position and swap portfolio

Our more than \$5 billion in primary capital enhances our role as principal and can reduce client costs and risks in each swap we arrange. And with our ability to warehouse large interest-rate and currency swap positions, we can quickly commit to transactions before finding a counterparty.

#### Morgan's underwriting capability and experience

Our concentration on the international capital markets has led to a number of Morgan innovations, from the first zero-coupon swap of a discounted bond into an FRN, to the first U.S. Treasury-style auction in the Euromarket. In the non-dollar sector of the Euromarket Morgan Guaranty has lead-managed issues in more currencies than any other underwriter.

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UK COMPANY NEWS

Aerospace boost lifts Smiths Industries to £23m

Smiths Industries, the aerospace, marine and medical equipment group, continued to advance in the opening six months of 1985-86 year end for the period saw its profits improve from £20.18m to £22.9m at the pre-tax level.



Sir Alex Jarratt, chairman of Smiths Industries

The directors, headed by chairman Sir Alex Jarratt, remain confident of the group's future progress. Turnover for the half year (to February 1 1986) declined from £197.2m to £192.1m but at the trading level profits pushed ahead from £21.58m to £22.88m following a sharp advance by the aerospace and defence operations.

achieved good results. The directors say that strategically important was the profits growth in North America after an unsettled period caused by the changes in the US government's methods of reimbursement to hospitals.

Wardle in surprise bid for RFD Group

BY DAVID GOODHART

Wardle Stores, the fast-growing manufacturer of plastic sheet which returned to the market only 18 months ago, has offered £22.5m for RFD Group, the parachute and dinghy manufacturer.

The RFD board said it was considering the offer but it seems likely to reject it. Although a bid for the company was not unexpected, it was a surprise that it came from Wardle.

Wardle Stores was formed in 1982 by a management buy-out of the loss-making Bernard Wardle Group from NVC Executive Mr Brian Taylor, the current managing director of Wardle Stores, joined Bernard Wardle in 1980 and led the buy-out.

French Connection profits hit by problems in US

PROBLEMS IN THE US have knocked the profits of the French Connection Group of manufacturers and retailers of ladies, men's and children's fashion clothing, quoted on the USM.

At the year ended January 1 1986 the overall group pre-tax profit has fallen by £2.65m to £4.88m, and earnings are down from 19.1p to 15.6p per share.

Best of All Clothing, the 50 per cent owned US subsidiary, met extremely difficult trading conditions and its pre-tax profit slumped from £4.49m to £2.46m. Conditions are still difficult for the directors expect a significant upturn in the market in the first quarter of the current year.

The remainder of the group—in the UK and France—made further progress in the year, with a good performance in the second half.

Early indications on the Spring and Winter 1986 collections are encouraging. Group turnover in 1985-86 rose from £37.72m to £41.6m. Excluding Best of All Clothing, turnover was up 34 per cent to £28m (£18.5m) and pre-tax profit increased by 33 per cent to £4.04m.

ended August 31 1985. The return on average operating assets was 38 per cent in the last financial year.

RFD made pre-tax profits of £2.06m on turnover of £42.9m last year but Mr Taylor accused the poorly managing core business in the safety and survival field which he said made a profit of only £800,000 on turnover of £16m.

Mr Taylor also said that the more successful specialist textiles—which make computer tape—were under-exploited. "There are too many sites; there needs to be a simpler organisational structure," he added.

The terms of the offer are: 11 new Wardle shares for every 20 RFD with a cash alternative of 137.5p. If the offer is accepted Wardle will issue 7.5m new shares—32 per cent of the enlarged capital.

Kleinwort Benson, RFD's merchant bank, said the underwriting of Wardle's offer at 250p was an unusually large discount. In the six months to February 23 Wardle's pre-tax profits increased 21 per cent to £1.8m on turnover of £20.03m.

Wardle shares closed 18p higher yesterday at 200p, while those of the RFD Group soared by 54p to 174p.

Turner & Newall calls for £46m to fund acquisitions

ISSUE NEWS

BY LIONEL BARBER

Turner & Newall, the UK engineering and mining group, yesterday made a £46m cash call on shareholders designed to fund planned acquisitions.

The one-for-four rights issue priced at 175p, which brought a 21p rise in Turner's shares, underlines the group's recovery since its near-collapse in 1982. Turner closed at 233p, up 18p on the day.

Mr Colin Hope, group managing director, said the rights issue enabled Turner to spend around £100m on acquisitions. "We would not necessarily buy one company. Two or three of differing sizes might be better."

He said he was surprised by the share price rise yesterday but added that the market still undervalued the company. "We still do not believe that our share price fully reflects the extent of our recovery."

Turner a former FT 30 share index constituent until July 1982, almost folded under the weight of asbestos-related disease claims and heavy borrowings. A financial lifeboat organised by the Bank of England was launched. Under the chairmanship of Sir Francis Tombs, the group has shrunk in size and expanded profits.

Last month, Turner announced a 44 per cent rise in pre-tax profits to £39.6m on £535m sales for 1985. Three years ago, it declared an attributable loss for 1982 of £72m.

Mr Hope said the group was looking at companies in the UK, US or Europe which would complement its activities in light and medium engineering—automotive products, specialty plastics, composites and industrial engineering.

He ruled out any increase in exposure in building products or mining.

Turner is issuing 27.1m new ordinary shares at 175p, a discount of 17.4 per cent to yesterday's opening market price of 212p. The new shares do not carry the right to a final dividend to be paid for the year ended December 1985, and therefore the overall discount to the market price falls to 15 per cent. The issue has been underwritten by N. M. Rothschild, merchant bankers.

Turner's last major acquisition was a 63.5 per cent stake in a US company, Hunt Chemical, which it purchased to buy its self out of asbestos trouble. The stake was sold in 1983 to reduce debts. Since Sir Francis arrived, the UK workforce has halved to 9,000. Turner employs around 25,000 people worldwide.

Westbury is poised to make stock market debut

BY LUCY KELLAWAY

Westbury, the largest privately owned UK house-builder, is poised to come to the stock market next month, with a probable value of around £40m.

The company is one of the most successful examples of a management buy-out that has come to fruition. Returns of more than 100 per cent will accrue to the managers and the institutions that backed the £12m buy-out just over a year ago.

Despite such large gains, existing shareholders are expected to retain most of their shares, and nearly all of the £10m due to be raised by the flotation will be new money for the company. This will be used to reduce borrowings, which have been high by industry standards partly as a result of the buy-out, but mainly due to the previous owner's reluctance to reinvest the company's profits.

The company's 27m after-tax profit made in the three years to 1984, only £1m was retained within the company. While this drain has now been

blocked, gearing is still high at around 170 per cent. The company's management, led by Mr Richard Fraser, chief executive, got support for its buy-out from institutional investors and the Prudential, and put in the highest bid for the company, beating rival offers from larger housebuilders including Crest Nicholson.

Westbury operates mainly in the South and West of England, in South Wales and in the Midlands. Over the last five years unit sales have increased by about 55 per cent, and last year Westbury completed nearly 2,000 houses.

The company's profit record has shown steady growth since its inception in 1968. In the year to February 1986 it made profit before tax of £3.8m, compared to £2.2m in 1982. For the year just ended, pre-tax profits are likely to have been a shade over £4m. It is too early to make a forecast for the current year.

Westbury is likely to be floated on an historic price earnings multiple of about 12. The prospectus will show variable profits from the four years to 1984, rising from a low of £1,500,000 to £2,200,000 for the year to January 1986.

Frank Usher ready for USM debut

Frank Usher, the fashion house which has been sold back to its management by Mrs Jennifer d'Abo's Stormard group, looks set to make its debut on the Unlisted Securities Market early next month with a market capitalisation of about £20m.

The company's main products are cocktail and evening dresses which it sells at home and abroad. Stormard acquired it last July when it took over the Selincof textile group, but sold it again in January to help strengthen its finances. Frank Usher is now controlled by the Bruh family, its long-standing managers. Their buy-out was financed by IFICO, 3i and the 1988 Investment Trust.

The company is expected to come in the USM through a bid by brokers Laing & Cradockbank. The flotation will leave 90 per cent of the share capital with the Bruh family, 30 per cent with new investors, and the other 40 per cent with Selincof and the three institutions. Frank Usher is seeking to raise about £2.2m in fresh working capital through the flotation.

The prospectus will show variable profits from the four years to 1984, rising from a low of £1,500,000 to £2,200,000 for the year to January 1986.

Lloyds Bank defers firm bid

Lloyds Bank is expected to defer any firm bid for Standard Chartered Bank until it has studied Standard's annual report which is due out next Monday.

Lloyds has so far only suggested a takeover at 750p a share that would value Standard at £1.2bn. Standard has rejected the approach, but Lloyds said it would probably proceed anyway.

Speculation about a possible counter-bid continued to push up Standard's share price yesterday. It gained 13p to hit a peak of 895p, but later fell back to close at 873p, down 9p on the day. Lloyds fell 7p to 585p.

The annual report will contain more detailed information about Standard's 1985 results, which were summarised in a statement from the bank on March 25.

Hanson's offer valuation satisfies Takeover Panel

BY MARTIN DICKSON

THE TAKEOVER Panel last night ruled that the valuation placed by Hanson Trust on its offer for Imperial Group satisfied the requirements of the Takeover Code.

The verdict followed a complaint by Imperial, which has agreed to a rival bid from United Biscuits, that Hanson had been over-valuing the convertible loan stock element of its offer.

The panel said the Code required companies to make a "reasonable estimate" of the value of an unlisted loan stock, such as Hanson's. After consulting independent brokers, the Panel considered that the valuation placed on the paper for Hanson by brokers Hoare Govett satisfied the requirements of the code. However,

the Panel itself expressed no view on the value of the loan stock.

Mr Martin Taylor, a Hanson director, said: "We have been consistent in our valuation and the Panel has clearly endorsed that position."

However, Imperial said that it was still sticking to its position. Hanson estimates that on the basis of its closing price last night of 178p, down 1p, its "best" offer of ordinary shares and convertible loan stock is worth 364.7p for each Imperial Imperial maintains it is worth only 357.2p. On the basis of a United unchanged close of 201p, its best offer of ordinary shares, preferred shares and cash is worth 361.1p. Imperial closed at 345p, down 4p.

Bank Leu International Ltd.

Notice to the Holders of Warrants under the 7 3/4% USS 40 million Guaranteed Notes with Warrants Due 1989

We refer to the capital increase of Bank Leu Ltd, Zurich, and the related notice to the holders of Warrants of February 10, 1986.

According to the Terms and Conditions of the Warrants the exercise price of Sfr. 511.- per Bearer Participation Certificate of Bank Leu Ltd has been reduced to Sfr. 480.-.

The adjusted exercise price is effective as of today.

Zurich, April 4, 1986

Table with columns: Notes with Warrants, Notes ex Warrants, Warrants, Euro-clear, CEDEL, Swiss Security No. Values: 10101, 290840, 642910; 10102, 290858, 642911; 10103, 602752, 643194



Bank Leu Ltd Bahnhofstrasse 32 CH-8001 Zurich Telephone +411 2191111

We are pleased to announce the election of

JOHN SAGAN

as a member of our Boards of Directors

DCNY CORP DISCOUNT CORPORATION OF NEW YORK

55 Pine Street, New York, N.Y. 10005

COMPANY NEWS IN BRIEF

CHART FOULES Lynch, a USM company which runs professional tuition courses, made pre-tax profit of £333,991 in 1985, against a forecast of not less than £325,000 made in December. Earnings per share were 5.87p and a final dividend of 1p makes a net total of 2.675p.

ASSOCIATED STEEL Distributors has acquired the steel stockholding business of Mantle Steels, of West Bromwich. The business will continue to operate under the name of Mantle Steels. ASD has also acquired the main warehouse, which is a freehold property, plant and steel stocks. Cash consideration for the warehouse was £249,000. For the plant and stock, an initial payment of £250,500 has been made against an anticipated final figure of approximately £880,000, which will be determined when the value is known as Datron EBE Instruments.

JOHN MICHAEL DESIGN, the USM-quoted shop design group, is expanding into packaging and point-of-sale activities with the acquisition of the unquoted Mike Ray Design Associates. Mike Ray specialises in merchandising displays and brand support design for a range of clients including Crown Paints, Kimberly Clark and Johnson Wax. Its current turnover is about £250,000.

DATRON INTERNATIONAL has acquired EBE Electronic of California for US\$672,000 (£487,000) cash. EBE's current annual sales are about \$4m and in the year to September 1985 profits were \$192,000, pre-tax and pre-interest. The new company will be known as Datron EBE Instruments.

BRAY TECHNOLOGIES, maker of gas and electrical heating equipment, made pre-tax profits of £785,000 (780,000) in 1985 on turnover of £8.23m (7.8m). Earnings per share were 8.43p (8.22p) and a final dividend of 2p makes a net total of 10.43p (10.22p). Extraordinary debit of £202,000 mainly relates to cost of Leeds move. The company's shares are traded on Over-The-Counter market made by Granville & Co.

THOMAS BORTHWICK, international food, meat and trading group, has sold its 76.6 per cent stake in Boucheries Barnard, a French chain of retail butcher shops, to Mr Gilbert Salomon, a well known figure in the French meat industry, for FFfr 42.2m (£3.9m). Borthwick

will receive 25 per cent of the sum immediately and the remainder with interest on May 30, 1987. Boucheries' pre-tax profits for the year ended September 30, 1985 were FFfr 2.37m.

GASKELL BROADLOOM, carpet underlays and floorcoverings group, made lowest pre-tax profit of £1.13m (£1.2m) on turnover of £18.23m (£15.35m) in 1985. After tax of £476,000 (£482,000) earnings per 20p share were 14p (15.4p). The final dividend is 3.5p (same) for a total of 5.5p (5p) net.

FRIENDLY HOTELS reported turnover up at £1.6m (£1.45m) with group profits after all charges including cost of offer for purchase of share capital and tax of £38,000 (£17,000), coming out at £114,000 (£91,000). From earnings per 5p share of 2.4p (18.6p) the dividend is in effect held at

0.7p after allowing for a share sub-division and scrip issue.

GODFREY DAVIS (Holdings) has acquired Shepherds Grove Park, Suffolk, from ABI Fund Developments for £825,000; the consideration being for the business of the park home residential estate, the freehold of the park—accessed for 191 acres, of 1.13m (£1.2m) on turnover of £18.23m (£15.35m) in 1985. After tax of £476,000 (£482,000) earnings per 20p share were 14p (15.4p). The final dividend is 3.5p (same) for a total of 5.5p (5p) net.

YEARLING BONDS totalling £5.25m at 9 1/2 per cent, redeemable on April 15 1987, have been issued by the following local authorities. Braintree District Council £0.5m; Middlebrough (borough of) £0.5m; Tweeddale DC £0.5m; Metherwell DC £2m; South Oxfordshire County Council £0.5m; Hillingdon (London Borough of) £1m; Wimborne DC £0.25m; Eastbourne Borough Council £0.25m.

BOARD MEETINGS

Table listing board meetings for various companies including British Mohale, Dera Estates, Ellis and Goldsmith, etc.

DIVIDENDS ANNOUNCED

Table listing dividends for various companies including Ayshire Metal, Bray Technologies, Caparo Inds., etc.

Blagden Industries PLC Results for year 1985-1984. Table showing Turnover, Profit before taxation, Profit after taxation, Dividends per share, Earnings per share. Also includes Chairman's Review points.

INVERGORDON DISTILLERS Points from Chairman's Review. Text describing profit for the year, production levels, sales of blended whiskies, and anticipated results for 1986.

UK COMPANY NEWS

# Buoyant life side behind 13% profit rise at Pearl

BY ERIC SHORT

**BUOYANT** life profits enabled Pearl Assurance to overcome a deteriorating general insurance performance and report after-tax profits up by 13 per cent in 1985 from £14.55m to £16.44m.

Shareholders are rewarded by a near 16 per cent increase in their dividend payments for the year from 38p to 44p.

The life branches showed very good results last year with an underlying increase in group premium income of nearly 13 per cent. An in-depth investigation of reserves on the long-term business and the investment performance on the funds in the annual valuation process enabled the group to produce surpluses up by a third on the year to £225.51m. Shareholders get a slightly higher increase of 34.7 per cent in their share of the surplus up from £16.13m to £21.72m.

Profits from the industrial branch rose by 10 per cent to £9.19m, while those from the ordinary branch were over 50 per cent higher at £12.53m. In both branches the larger than usual increase also reflect the reassessment of the terminal bonus system.

The two unit-linked subsidiaries, Pearl Assurance (Unit Funds) and Pearl Assurance (Unit Linked Pensions) made good progress during the year. However, there was a prudent strengthening of reserves and the combined dividend contribution was virtually unchanged at £500,000.

The general branch showed a higher underwriting loss on the year of £22.98m against £20.95m, the latter figure including exceptional claims of £3.66m on overseas business. Despite higher investment income of £10.54m against £10.02m, the trading loss rose from £8.67m in 1984—excluding this exceptional loss—to £11.84m, before allowing for taxation.

In the UK, underwriting losses rose by more than half from £7.02m to £11.81m—the major losses coming from the property, motor and liability accounts.

The UK property account was adversely affected by the high incidence of severe weather claims amounting to £3.5m. Losses on this account rose from £2.13m to £5.79m.

The company's UK motor account was hit by those factors in both its property and motor accident claim costs—that have affected all UK insurers. Losses of this account climbed from £2.59m to £4.1m.

The company is making significant premium increases in both its property and motor premium rates. In addition, it is introducing compulsory excesses on many of its personal insurance contracts.

Reinsurance losses rose from £7.13m to £8.72m, of which £3.79m arose from the now discontinued extended warranty business.

The major loss on its overseas operations came from a poor experience in Saudi Arabia, where the agency is now cancelled.

**comment**

The market was pleased with the result from Pearl Assurance. The losses on its general insurance business were no worse than expected, while the life profits were higher than had been anticipated. The life fund, being well established has a very strong reserve position, which is slowly being released to policyholders and shareholders in a strictly controlled manner even before the present problems with some life companies came into the open this week. New life business growth remains steady and the investment policy remains orthodox, while still producing good results. Continued strong profit growth can be expected. With most of its overseas and UK reinsurance problems behind it and given the substantial rating increases on its personal general insurance contracts the general insurance account, which has a high gearing effect, should show reduced trading losses this year and a return to trading profits next year provided storms do not blow this account off course. The share price improved by 2 1/2 to £14 on the results yielding 4.3 per cent—a level that reflects the growth and recovery potential of the group.

## S. Jerome advances to £0.83m

S. Jerome & Sons (Holdings), textile and electronic communications group, achieved record profits in 1985, as indicated at midway.

With pre-tax profits up 42 per cent from £26,000 to £381,000, Mr Alan Jerome, the chairman, says he sees no reason why growth should not continue and provide further improved results this year.

The final dividend is being raised from 2.15p to 2.6p net for a total of 3.6p—up 27.5p per cent on last year's 2.82p. A one-for-five scrip issue is also proposed.

Taxable results were struck after share price rises. Interest charges of £386,000 (£279,000). Earnings per 25p share rose 68 per cent from 7.64p to 12.84p helped by a reduced tax charge of £212,000 (£220,000).

Group turnover climbed from £18.27m to £18.49m. The textile divisions were again the main contributor to profits with an increase from £318,000 to £1.13m at the pre-interest level.

The weaving division exceeded sales budgets and both the worsted and fancy yarn sectors of the yarn division enjoyed successful conditions and contributed record profits. The cloth finishing and bleaching division experienced high volume throughout 1985 and also had its best ever year.

Significant controls have been instituted in the electronics activity, reducing stocks to realistic levels and the results show an encouraging trend towards acceptable profits.

## Spirax-Sarco tops £16m and further growth ahead

A FURTHER increase in world market share enabled Spirax-Sarco Engineering to lift its profits for the eighteenth year running in 1985.

Furthermore, with satisfactory order trends for the first three months of the current year, the directors are looking to 1986 for further real progress.

The 1985 year saw turnover push ahead from £77.04m to £85.78m and profits at the pre-tax level by £2.76m to £16.17m—the group is an international specialist in fluid control equipment.

The results of the overseas companies were converted by using average exchange rates and the figures for 1984 have been restated on the same basis.

Using year-end rates of exchange as in previous years, turnover for 1985 would have been £82.52m and pre-tax profits £15.52m. More than 90 per cent of group turnover is generated outside the UK.

Trading profits for the past year improved from £12.87m to £15.48m with the overseas contribution at £10.56m, compared with £8.82m previously. The UK operations showed an improvement of £644,000 at £4.88m.

Interest charges rose to £885,000 (£544,000) and tax to £6.22m, against £5.14m. Earnings increased by 2.1p to 13.6p and a final dividend of 3.8p raises the total from an adjusted 4.53p to 5.3p net per 25p share.

In the UK, the group's home order intake increased in real

terms, assisted by improved trading conditions. The results of the European operations again showed a healthy advance with the majority of the companies producing improved sales and profitability. Market share in Europe rose again.

The group also showed improvements in Australia, South Africa and Singapore.

**comment**

A switch from year end to average exchange rates by Spirax Sarco left analysts' forecasts £1m or so short of actual result and turned what would have been a 9 per cent increase in pre-tax profits into a near 21 per cent advance. However, with four-fifths of its profits arising overseas it was only a matter of time before Spirax joined the rest of the commercial herd with average rates so cynical thoughts about sharpening-up the profits outcome should be ruled out. In the US, where its range is still dominated by steam traps, the closing months of the year came through with better volume as expected but the group continues to invest heavily to recapture market share—it now believes it is back in the number two slot—so profits growth may be slightly depressed. Nevertheless for the group as a whole 1985 should be another year of further volume growth and increased market share. Profits could come out around £18m pre-tax suggesting a prospective p/e of just under 12 at 182p, up 8p yesterday. That is not expensive for a solid steady performer such as Spirax.

## TUC backs buy-out at Solex offshoot

By David Goodhart

THE UNUSUAL creditor buy-out being planned at the UK subsidiary of Solex, the carburettor-maker, has got provisional backing from Unity Trust, the TUC-supported bank, according to buy-out co-ordinator, Mr Ian White.

Unity Trust has been attracted by the employee share-ownership part of the package prepared by Mr White and his fellow creditors.

Mr White said that a substantial automotive industry development company had also expressed interest in helping the creditors.

It is estimated that Mr White has had to try to raise between £1m and £2m. He faces opposition from another buy-out being organised by some managers from the Solex subsidiary itself.

The creditors are also up against the clock. Mr White said yesterday that the Solex receiver, Mr John Powell of Cork Gully, had told him that the final deadline for all offers for the company had to be today.

Mr White said: "It would be in nobody's interests to break up the company but it looks as if we may be fast approaching that time."

## Stewart Wrightson profits climb 35% to £18.7m

Stewart Wrightson Holdings, international insurance broker, lifted pre-tax profits by 35 per cent from £13.83m to £18.73m in 1985 and the company is confident of further progress.

Insurance broking profits increased from £11.7m to £15.37m, but the Lloyd's underwriting agency contribution was lower at £51,000 (£320,000). Profits from the group's insurance companies rose from £2.29m to £2.83m.

Basic earnings per 20p share are shown ahead from an adjusted 19.07p to 24.55p and the dividend is in effect 2p higher at 11p net with a final of 7.5p.

The group has recently reorganised its worldwide insurance broking interests outside North America, which are now operating through one principal subsidiary, Stewart Wrightson Ltd.

This move is expected to enhance the group's ability to develop its business and to secure more rapid growth in income, while at the same time producing cost efficiencies.

Steady progress is anticipated in those group companies concerned with retail business in

the UK. Although some of the London-based specialist companies will be limited by market capacity, a strong performance is still expected in certain of them.

In North America, the company says Stewart Smith will continue to progress, but it is likely to receive far more enquiries than the market will be able to handle.

The group's insurance companies should continue their good progress.

While the company continues to adopt a cautious policy in relation to its exposure to fluctuations in currencies, it says it cannot avoid the consequences of major alterations in the value of the US dollar against sterling.

Turnover from broking and agency interests amounted to £75.89m (£67.1m). Trading expenses accounted for £69.53m (£62.41m) leaving a trading profit up from £4.71m to £8.16m investment income, less interest paid, added £8.49m (£7.31m) and associates £773,000 (£1,000).

Group pre-tax profits were after income from fixed asset investments of £1.25m (£1.23m) and central costs of £0.78m (£1.72m). Tax charge was £7.57m (£5.34m).

**comment**

After a 60 per cent rise in first half profits, the forecast slowdown in the second half would have had to be very sharp indeed to prevent Stewart Wrightson from producing good annual figures. In the event, the market got more or less what it was expecting, although the composition of the results showing a particularly good advance from the insurance companies, was a little surprising. Stewart Wrightson starts 1986 with exchange rates set firmly against it, and like its competitors is faced with a further squeeze on underwriting capacity and rising expenses making the year in prospect a difficult one for its broking activities. Meanwhile, given the scale of increases in rates, the insurance companies are almost guaranteed another good year, and in all Stewart Wrightson should make a 25m pre-tax. The shares have done better than a depressed sector in recent months, and at 420p may have seen the best on a prospective p/e of 13.5.

## 40% profit rise for Hunting Petroleum

CONTINUING the improved performance of the opening six months, Hunting Petroleum Services has lifted its pre-tax profit by 40 per cent, from £5.2m to £7.26m, for 1985.

In view of the group's strong financial position, the directors are raising the dividend from 8p to 8.5p net. The final is 6p with the option of a share alternative.

This year's profit has been bumped up by £350,000 arising on a change to exchange rates conversion. In view of the weakening of the US and Canadian dollar (the group has substantial dollar earnings) overseas earnings are being converted at average rate for the year instead of year-end rate.

The group is principally engaged in crude oil transportation and terminal operations in Canada; and lubricants, products distribution, oil brokerage and storage in Europe, mainly the UK.

It also has an exploration activity in the US but because of the recent fall in oil prices the directors have decided this should be terminated. In the short-term, drilling will continue as an acceptable price for the producing properties is unlikely in today's market.

This year's accounts bear an 88m (£5.56m) provision to cover the anticipated charges of withdrawal; future losses will be charged against this.

The move on top of last year's sale of drilling interests, and coupled with the growing importance of specialised products and downstream operations, shifts the group structure to one which should provide better opportunities for profit growth, the directors state.

## Belhaven buys

Belhaven Brewery has exchanged contracts for the acquisition of the wines and spirits distribution business of Dolmore Holdings for £815,000. Consideration will be satisfied by the issue of 1.72m Belhaven shares. If the new shares are not admitted to listing by the Stock Exchange consideration will be satisfied by cash. The distribution business is based at Waterloo.

## Dwek back in the black

Dwek Group, the plastics, houseware and furniture components manufacturer, continued its recovery in the second half of 1985 and ended with pre-tax profits for a year of £190,000, against a loss of £177,000 in 1984.

The group suspended dealings in its shares on Tuesday when it announced it was at an advanced stage of negotiating the acquisition of a sports and leisurewear manufacturer. Only a few weeks ago, Dwek bought QA furniture, supplier of fatpack furniture, for £4.25m.

Shares in Dwek rose 10p on Monday to close at 85p, but were down to 75p at the time they were suspended.

## Bricomin's 10.75% stake in Moorgate

Bricomin Investments, the wholly-owned subsidiary of the British and Commonwealth Shipping Company, holds a 10.75 per cent stake in Moorgate Mercantile Holdings, the consumer credit financier, it was disclosed yesterday.

Bricomin is run by Mr John Gunn, who successfully built up Exco, the financial services and money broking group. Mr Gunn's interest in Moorgate was welcomed yesterday by the group's chairman, Mr Julius Silman, who said: "I should be extremely surprised if there was any predatory intent. John Gunn contacted me and asked me what an appropriate shareholding might be."

## NATIONAL Girobank

National Girobank announces that with effect from close of business 8th April 1986

**Base Rate**

Its base rate was reduced from 11.50% to 11% per annum

**Deposit Accounts**

Other facilities (including regulated consumer credit agreements) with a rate of interest linked to Base Rate will be varied accordingly

10 Milk Street LONDON EC2V 8JH  
Girobank plc

## MIDLAND SAVINGS

**Notice to Account Holders**

Gross Interest % p.a.	Midland Savings Accounts	Net Interest % p.a.	Gross Equivalent to a Basic Rate Taxpayer % p.a.
With effect from 9th April 1986			
7.02	Deposit Account	5.25	7.39
9.70	Monthly Income Account	7.25	10.21
9.70	Griffin Savers	7.25	10.21
Saver Plus			
7.69	£100+	5.75	8.10
8.70	£1000+	6.50	9.15
9.70	£1000+	7.25	10.21
With effect from 8th May 1986			
7.02	Save and Borrow credit balances	5.25	7.39

**Midland Bank**  
Midland Bank plc, 27 Poultry, London EC2P 2BX

BODDINGTONS' BREWERIES PLC

Results for the year to 31st December 1985

## Profits up by 24%

	1985 (£'000s)	1984 (£'000s)	% Change
Turnover	72,933	51,587	+41.4%
Trading profit	12,627	9,958	+26.8%
Profit before tax	11,735	9,458	+24.1%
Earnings per ordinary share after tax	8.28p	6.95p	+19.1%
Dividend payment per share	3.25p	2.85p	+14.0%

Points made by the Chairman, Mr. Ewart Boddington:

- Improved results were achieved in all areas of the business.
- Higsons contributed £0.368 million to the group profit, net of additional loan stock interest of £0.520 million.
- Boddingtons' performed strongly during the second half, with trading profit for the period up by 22.8%.
- Volume sales of draught beer to both tied and free trade customers increased by nearly 3% in the second half.
- Lager sales continued to rise and much higher profits were achieved through volume and margin improvement.
- Profit from retailing, including catering, was up by more than 30%, wholesaling by 16% and take-home by 17%.

Annual General Meeting, Britannia Hotel, Portland Street, Manchester, 11.45am Friday 2nd May.

Copies of the Annual Report may be obtained from: The Company Secretary, PO Box 331, Strangeways Brewery, Manchester M50 3EL.

## Boddingtons

Strangeways Brewery, Manchester

## Grindlays Bank p.l.c.

### Interest Rates

Grindlays Bank p.l.c. announces that its base rate for lending will change from 11 1/2% to 11% with effect from 8th April 1986

**Grindlays Bank p.l.c.**

A member of the ABN Group of Companies  
Head Office: Grindlays Bank plc, Minerva House, Montague Close, London SE1 9DH.

## bank leumi (uk) plc

### Interest Rates

Bank Leumi (UK) plc announces that with effect from the close of business 9th April, 1986 its base rate for lending is 11% per annum.

**bank leumi** בנק לוימית

## Hongkong Bank

announces that on and after 9th April, 1986 the following annual rate will apply

**Base Rate 11% (Previously 11 1/2%)**

The Hongkong and Shanghai Banking Corporation  
The British Bank of the Middle East  
HongkongBank Limited

## Interest Rate Change

Allied Irish Banks plc announces that with effect from close of business on 9th April, 1986, its Base Rate was decreased from 11 1/2% to 11% p.a.

**Allied Irish Bank**

Head Office - Britain: 64/66 Coleman Street, London EC2R 5AL. Tel: 01-588 0691 and branches throughout the country.

UK COMPANY NEWS

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.

LONDON & PROVINCIAL SHOP CENTRES (HOLDINGS) p.l.c.

Incorporated in England No. 660379

Issue by way of placing of £15,000,000 10 per cent First Mortgage Debenture Stock 2026 at £99.951 per cent payable as to £40 per £100 nominal on acceptance on or before 14th April and as to the balance on or before 14th July 1986

Application has been made to the Council of The Stock Exchange for the whole of the above Stock to be admitted to the Official List. In accordance with the requirements of the Council of The Stock Exchange, £1,500,000 of the Stock has been offered to the market on the date of publication of this advertisement and may be available to the public.

Listing particulars of the Stock will be circulated in the Extra Statistical Services and copies may be obtained during usual business hours on any weekday (Saturdays excepted) up to and including 25th April 1986 from: Kleinwort, Benson Limited London & Provincial Shop Centres (Holdings) p.l.c. 20 Fenchurch Street London EC3R 2BP

and up to and including 14th April, 1986, for collection only, from the Company Announcements Office, The Stock Exchange, Threadneedle Street, London EC2R 2BT. 10th April 1986

Granville & Co. Limited

Member of The National Association of Security Dealers and Investment Managers 8 Lovat Lane London EC3R 8BP Telephone 01-621 1212

Over-the-Counter Market

Table with columns: High/Low, Company, Price, Change, Gross Yield, P/E, Fully Paid. Lists various companies like Asirring Group, Armata and Rhodes, Bardon Hill, etc.

Public Works Loan Board rates

Table showing Effective April 9, Quota loans repaid, Non-quota loans A\* repaid. Columns include Years, EPPT, AS, maturity, etc.

Caparo pulled down to £950,000 by Fidelity

ALTHOUGH HIT by losses at Fidelity in 1985, Caparo Industries is holding its dividend at 1.85p net. The directors are looking for a major recovery in profits for the current year and believe that growth prospects are better than ever before. Mr Swraj Paul, chairman, remains confident that Fidelity will become a major contributor to the group. For the current year a return to operating profits is forecast. In 1985, the group pre-tax profit fell from £2.72m to £950,000, after goodwill amortisation of £21,000 (£50,000). At the operating level, and before finance charges, it was down from £5.15m to £4.06m with the electronics side incurring a loss of £1.85m (profit £121,000).



Mr Swraj Paul, chairman of Caparo.

United Merchant Bar, the 75/25 joint venture with British Steel Corporation, will make a small initial profit contribution this year. Mr Paul says this is a very large scale project for the group "which has so far gone very well and should produce very substantial operating profits for us from 1987 onwards." And year-end bank borrowings, excluding Fidelity and without the benefit of the July £10.2m preference rights issue, would have been some £2.2m compared with £11.8m. In the industrial division, profit rose 76 per cent to £3.7m, reflecting operating efficiency and some market recovery: steel profit surged from £283,000 to £743,000 and takes in a full year from Wrexham Wire, which continues to grow.

Legal action against certain former directors and the previous auditors of Fidelity is continuing. There were extraordinary debits of £813,000 (£92,000 credits), preference dividends absorbed £760,000 (£839,000) and ordinary £622,000 (same), leaving a deficit on the year of £280,000 (credit £244m). The final dividend is 0.9p. comment Caparo Industries has struggled for credibility with the market since the Fidelity acquisition. Now there is light at the end of that tunnel — although comparisons with Amstrad seem a little premature. However, what Mr Swraj Paul has proved is that metal bashing can be made to pay — and pay handsomely if the rates of return on capital employed already achieved in some units can be spread across the group. "Without Fidelity's losses, operating profits would have been £5.9m against a comparable £5m last time. The prospect of £1m pre-interest profits from electronics in 1986 should make a target of £2m pre-tax for the group a fairly easy one to reach. With Mr Paul now concentrating mainly on CI — he has largely abandoned India, and Caparo Properties is now under Frank Sanderson's care — the enlarged Egerton — a prospective multiple of almost 10 on the shares at 43p counts for none of next year's prospects. Debt should be reduced by the £5m sale and leaseback of North Acton, which will cut interest payments. The shares look cheap on a two-year view.

Cowells beats profit forecast

Cowells, a specialist printer, has beaten the forecast made in October when it came to the 1985 profit. For 1985, the pre-tax profit figure comes to £825,000, compared with some £750,000 estimated and with £540,000 earned in 1984. Dividend is the promised 1.5p net. Had the shares been quoted for a full year the payment was forecast to be 2.6p. The Ipswich-based company dates back to 1818. It was bought by Gramplan Holdings in 1963 and then sold to the management in 1982. The directors report that new activities which have been developed, such as financial printing, diaries, credit cards and access control systems have all made an encouraging start to the current year. Cowells sees its future in continuing to grow and expand in present markets and in improving the profitability of its product base. Where new opportunities can be identified which will provide steady growth, steps will be taken to exploit them by acquisition or development. Turnover in 1985 rose from £7.38m to £8.77m from which the operating profit advanced by 48 per cent to £892,000 (£603,000). After tax £278,000 (£218,000) the net balance was £248,000 (£225,000) for earnings of 7.5p (4.4p) per share. comment Cowells sailed past its flotation profit forecast with this, its first publicly quoted set of results, and the shares rose by 5p to 108p yesterday. After the tristes of the early 1980s Cowells has turned away from standard colour printing — in which Far Eastern and Mediterranean competitors almost always beat it on cost — towards niche markets. Security printing, producing plastic charge cards, has been identified as the key growth field which the company plans to develop with the launch of "smart" or data encoded cards. The printing industry has always been intensely competitive, however more so than today. Given the costs and competition, it is not surprising that companies like Cowells will find it difficult to secure growth in the long term other than by acquisition. Nonetheless the City expects profits of £1.1m and a prospective p/e of 11 for 1986. Speculators will note the possibility of a takeover. Predators have been prowling around the printing industry for some months and there are no shortage of suitors for niche printers like Cowells. But the management controls more than 50 per cent of the shares and having bought themselves out of one conglomerate — Gramplan Holdings — in 1982, are unlikely to sell themselves into another.

Erith shows some recovery by year-end

Second half profits at Erith, builders machinery showed an improvement from £92,000 to £1.13m, but this was insufficient to offset the shortfall of the opening six months. For the whole of 1985, therefore, the pre-tax earnings were £1.04m (£1.74m, on turnover of £51.17m (£49.18m)). A final dividend of 2.2p increases the year's total to 3.3p net (3.1p). As to the current year, the directors say this has started well by comparison with 1985, although the improvement was slowed down by the prolonged frost which reduced building and construction work in February. The 1985 tax charge was £369,000 (£832,000) to leave the net profit at £1.37m (£1.21m), or earnings of 12p per share at a final of 1p — no interim was paid in 1984. Stated earnings per 25p share improved from 4.6p to 8.7p. Full provision for the closure costs of the French subsidiary have been made by way of a £100,000 (nil) extraordinary charge. The pre-tax figure was after net interest charges of £7,000 against £31,000. For the year was considerably higher at £273,000 compared with £108,000. Ayrshire Metal ahead at £760,000 Ayrshire Metal Products experienced a disappointing end to the year, a trend which continued into the early months of 1986, with many of the company's markets depressed. However, pre-tax profits for 1985 increased from £338,000 to £760,000 on turnover up from £15.57m to £19.91m. The total dividend is raised from 0.5p to 2p net with a final of 1p — no interim was paid in 1984. Stated earnings per 25p share improved from 4.6p to 8.7p. Full provision for the closure costs of the French subsidiary have been made by way of a £100,000 (nil) extraordinary charge. The pre-tax figure was after net interest charges of £7,000 against £31,000. For the year was considerably higher at £273,000 compared with £108,000.

Packaging gives boost to Ferry Pickering

Pre-tax profits, up from £852,000 to £1.13m, are supported by Ferry Pickering Group, printing, packaging and publishing concern, for the six months to December 31 1985. The interim dividend is increased from an adjusted 1p to 1.4p net — the previous 12 months, a total equivalent to 2.73p was paid from pre-tax profits of £1.59m. The directors say packaging activities contributed, in the main, to the first half profit progress. The developments undertaken in the previous year, are now producing the return projected in a market which is firmer than for some time, they add. Order books are healthy, and further expansion in printing capability is being carried out. Group turnover rose from £5.72m to £7.29m. After tax of £507,000 compared with £273,000, attributable profits came out at £801,000 against £478,000. Earnings per share improved from an adjusted 4.942p to 6.746p.

Margins reduced at Finlay Packaging

Finlay Packaging, the colour printer, has suffered a fall of 17 per cent in full-year taxable profits with margins under pressure on static sales. On sales of £9.63m in 1985, against £9.14m, the trading profit margin was down from just over 10 per cent to just over 7 per cent, resulting in a £250,000 fall to £651,000 in trading profits. However, with a £80,000 rise to £178,000 in net interest payable, the fall at the taxable level was less acute with the result down from £1m to £880,000. Earnings per share were down at 5.85p, against 7.35p, but provide almost twice cover for a maintained total dividend of 3.25p. The proposed final payment is an unchanged 2.5p. Tax was £265,000 (£271,000), leaving a net profit of £502,000 (£629,000) subject to dividend payments of £279,000 (same) — there was a £46,000 extraordinary profit last time.

British Alcan down by 13% to £44m

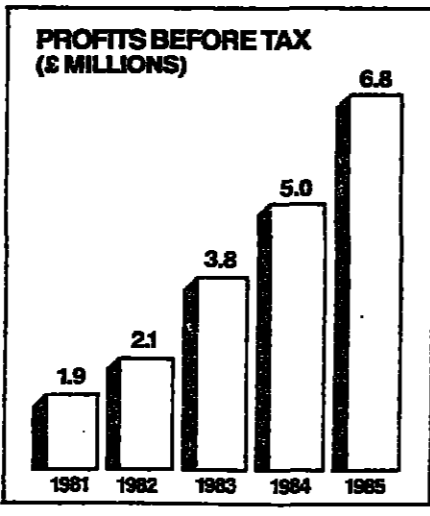
British Alcan Aluminium suffered a further profits fall in the second half of 1985 and finished the year with taxable profits down by nearly 13 per cent from £48.8m to £43.5m. The downturn, on sales slightly higher at £628.5m against £622.6m, follows a couple of years of strong recovery after the heavy losses sustained in 1981 and 1982. External borrowings were £34.5m lower but interest payable in 1985 fell by only £900,000 to £290.5m. Capital expenditure was £21.7m (£12.8m). Tax was slightly more than doubled at £1.2m, against £2.4m, leaving the net result nearly 10 per cent lower at £38.4m compared with £47.4m. At the interim stage taxable profits were £3.4m down at £22.9m. However, the company says that it has entered 1986 with some firming of metal prices which, if maintained, will result in an improved earnings performance. British Alcan adds that early increases in bank base lending rates have recently been reversed, although the real cost of borrowing remains high. External borrowings were £34.5m lower but interest payable in 1985 fell by only £900,000 to £290.5m. Capital expenditure was £21.7m (£12.8m). Tax was slightly more than doubled at £1.2m, against £2.4m, leaving the net result nearly 10 per cent lower at £38.4m compared with £47.4m. At the interim stage taxable profits were £3.4m down at £22.9m.

The Royal Bank of Scotland plc Revolving Budget Accounts. The Royal Bank of Scotland announces that with effect from 10 April 1986 the rate of interest charged on overdrawn balances will be reduced from 23% to 22% p.a., and the net rate of interest paid on credit balances will be reduced from 8.22% to 5.98% p.a.

Royal Trust reports another year of strong growth in 1985.

Financial Highlights

- 36% increase in net profits before tax 1985 net profit before tax was £6.8 million
- 34% increase in capital base to £56.4 million
- 46% increase in loans, mortgages and leases At more than £382 million represented 46% of total assets



- 57% increase in shareholders funds At year end shareholders funds stood at £39.1 million
- 29% increase in staff productivity (pre-tax profit per capita)
- 16% increase in deposits Now standing at £619 million

Royal Trust is the U.K. banking arm of Canada's largest trust company. Royal Trust provides a wide range of financial services to both corporations and private clients including: commercial credit, treasury services, corporate trust and global custody, commercial and residential mortgages, private banking, investment, tax and insurance services. Copies of the Royal Trust 1985 U.K. Annual Report can be obtained from the Company Secretary at our London address below.



The Royal Trust Company of Canada and Commercial Union House, Royal Trust House, 49-50 Cannon Street, London EC4N 6DF. Tel: 01-332 3033. 16th April 1986

Ben Bailey

Attributable losses increased for Ben Bailey Construction of South Yorkshire in the six months to the end of December 1985 to £104,000, compared with profits of £10,000 in the same period last year and £50,000 losses in the second half. The result, including tax credits of £12,000 (£4,000), was incurred on turnover up at £3.5m (£3.06m). The interim payment has been passed. Last time there was a dividend of 0.25p.

LADBROKE INDEX 1,379,133 (-11) Based on FT Index Tel: 01-427 4411

Company Notices

CORRECTION NOTICE THE KINGDOM OF DENMARK Issue of US\$ 250,000,000 12 1/2% Notes due February 27, 1992 with 250,000 Warrants to subscribe 12 1/2% Notes due February 27, 1992

CHEMICAL NEW YORK CORPORATION \$250,000,000 Floating Rate Subordinated Capital Notes due October 1997

ESSES (Incorporated in the Kingdom of Belgium) NOTICE OF ANNUAL GENERAL MEETING

Art Galleries THACKERAY GALLERY, 18 Thackeray St. W. 01-537 5833. ZAMANA GALLERY, 1 Cromwell Gardens

M.M.C. INVESTMENTS P.L.C. (Incorporated in England under the Companies Act 1968 to 1977)

INTERNATIONAL DEPOSITORY RECEIPTS REPRESENTING SHARES PAR VALUE \$2.50 COMMON STOCK

THE ROYAL BANK OF CANADA US\$100,000,000 FLOATING RATE DEBENTURES DUE 1987

QUANTUS FUND Societe d'investissement a Capital Variable 106, Boulevard Royal Luxembourg

NOTICE OF TRANSFER OF WARRANT AGENCY GENERAL ELECTRIC CREDIT CORPORATION (GEC)

NOTICE IS HEREBY GIVEN that the Warrant Agency has been transferred to General Electric Credit Corporation

# Global Securities Distribution

This announcement appears as a matter of record only.

**REUTERS**  
Reuters Holdings PLC  
**£205,000,000**  
Offer for sale by tender  
Hoare Govett Limited  
Lead Broker


This announcement appears as a matter of record only.

**Elders IXL**  
Elders IXL Limited  
**A \$326,000,000**  
Equity financing  
McIntosh Hamson  
Hoare Govett Ltd.  
Joint Lead Underwriter and Broker

This announcement appears as a matter of record only.

**FURAMA HOTEL**  
**HK\$150,000,000**  
Offer for sale  
Hoare Govett (Far East) Limited  
Joint Lead Manager


This announcement appears as a matter of record only.

  
**Kingdom of Sweden**  
**£100,000,000**  
Bulldog issue  
Hoare Govett Limited  
Lead Broker


This announcement appears as a matter of record only.

**TELECOM**  
British Telecommunications plc  
**£3,915,000,000**  
Offer for sale  
Hoare Govett Limited  
Lead Broker to H.M. Government


This announcement appears as a matter of record only.

  
**AFRICAN DEVELOPMENT BANK**  
**£50,000,000**  
Bulldog issue  
Hoare Govett Limited  
Lead Broker


This announcement appears as a matter of record only.

  
**The Royal Bank of Scotland Group plc**  
**£125,000,000**  
Placing on Behalf of Lloyds Bank Plc  
Hoare Govett Limited  
Broker

All these securities having been sold, this announcement appears as a matter of record only.

  
**WELLCOME PLC**  
Offer for sale on behalf of the Trustees of The Wellcome Trust and Wellcome plc  
**210,800,000**  
Ordinary shares at £1.20 per share  
Hoare Govett Limited acted as brokers to the Offer and to The Wellcome Trust

This announcement appears as a matter of record only.

  
**Imperial Chemical Industries PLC**  
**£150,000,000**  
Vendor placing  
In connection with the acquisition of Beatrice Chemicals  
Hoare Govett Limited  
Lead Broker

Hoare Govett has organised the distribution of more than £10 billion of securities over the past 18 months, acting for governments and some 300 public and private companies around the world.

We offer an independent and creative approach to raising debt and equity finance with global market coverage.

## HOARE GOVETT

The International Stockbroker

Hoare Govett Limited, 319/325 High Holborn, London WC1V 7PB  
Telephone 01-404 0344 Telex 297801 Fax 01-404 0342

Members of The Stock Exchange

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This advertisement is published by N.M. Rothschild & Sons Limited and J. Henry Schroder Wagg & Co. Limited on behalf of Hanson Trust PLC. The Directors of Hanson Trust PLC are the persons responsible for the information contained in this advertisement. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this advertisement is in accordance with the facts. The Directors of Hanson Trust PLC accept responsibility accordingly.

+

18.2 p

(A small reminder: our best offer is now higher than the Imperial share price by the amount above.)

Our offer next closes on April 11 at 5p.m.

H A N S O N T R U S T

The above figure represents the differences between the value of the Hanson Trust share and convertible stock election and the value per ordinary share of Imperial Group. The values are based on market prices at 5.30 p.m. on Wednesday and take account of an estimate by Hoare Govett Ltd. of the value of the 10 per cent. convertible loan stock of Hanson Trust. The value of the convertible stock is estimated because it will only be listed in the event of the offer becoming unconditional.

*N.M. Rothschild*

BUSINESS LAW

EEC now out of step on competition policy

By A. H. HERMANN, Legal Correspondent

THE competition enforcement policies of the Western world have largely outlived their usefulness. Both the EEC and the German systems have their roots in the US anti-trust concept...

The Tebbitt rule that references should be made "primarily" on competition grounds and that competition should be considered in an international and not simply a UK context.

Now poised to administer a similar blow to know-how and franchising agreements. It is assisted in this destructive policy by the European Court.

Since those days both the US trusts, now better known as "transnationals" and the economies of the European countries have spilled over their national frontiers.

The Commission and the Court brought within the prohibition of Article 85 agreements or terms which only restrict the grants of rights, while the grants could have exercised alone and by the granting of which he increased competition either immediately or for the future.

Though no improvement can be achieved without a change of heart (and of some heads) a revision of the Treaty could make it easier by removing automatic nullity of prohibited agreements...

F.T. CROSSWORD PUZZLE No. 5,993

Crossword puzzle grid with clues for Across and Down sections.

Solution to puzzle No. 5,992. Includes a grid and the words: DOWN 1. A card game after a drink can result in battle! (9) 2. Puts on a sober individual and suffers for it (6) 3. It's possibly about a man's dissertation (6) 4. A musician holds note in...

AUTHORISED UNIT TRUSTS

Large table listing various unit trusts, their managers, and performance data. Columns include trust names, managers, and numerical values.

The Princess Alice Hospice advertisement. Text: "We care for the terminally ill of all denominations. You should need no more than £200.00 a year. We will help you to pay for your care. The Princess Alice Hospice. Telephone: 0204 58111"

AUTHORISED UNIT TRUSTS & INSURANCES

Table listing various insurance companies and their details, including sections for 'INSURANCES' and 'AA Friendly Society'.

Main table listing numerous unit trusts and insurance products, organized by company and including details like fund names and values.

Table listing insurance companies and their details, including sections for 'Scottish Life Investments' and 'Scottish Widows'.

Handwritten signature or mark at the bottom of the page.



INSURANCE, OVERSEAS & MONEY FUNDS

Table listing various insurance and overseas funds, including details on providers, fund names, and performance metrics.

Table listing money funds, including details on providers, fund names, and performance metrics.

Table listing money market bank accounts, including details on providers, account names, and interest rates.

TRADITIONAL OPTIONS

Table showing 3-month call rates for various traditional options, including providers and rates.

A selection of options traded in the London Stock Exchange Report.

COMMODITIES AND AGRICULTURE

Patti Waldmeir on efforts to rehabilitate the copper industry

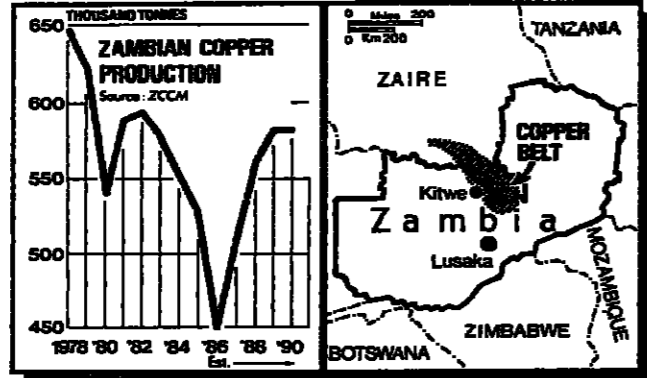
Zambia tightening its belt

ZAMBIA CONSOLIDATED Copper Mines (ZCCM), one of the world's highest-cost copper producers, has finally begun to bite the bullet of mine closures, redundancies and restructuring which alone could reduce the industry's output by 25 per cent...

ZCCM, which is 60 per cent owned by the Zambian Government through its giant holding company, Zimco, has proved slow to react to the copper price shock of the early 1980s, when prices fell by about 25 per cent between 1980 and 1982...

ing, construction and tourism, companies, placing them under a wholly-owned subsidiary, Mulungushi Investment, which will not have access to scarce foreign exchange allocated to ZCCM by the Government...

of skilled and experienced staff—partly the result of an accelerated Zambianisation programme—which has led to an overall decline in productivity per worker. Staff training is taking place both within Zambia and abroad under the World Bank-sponsored project...



ZAMBIAN COPPER PRODUCTION (THOUSAND TONNES) 1978-90. Source: ZCCM. The graph shows a significant peak in 1980 followed by a steady decline through 1990.

The same industry which made Zambia one of the richest and fastest growing nations in black Africa during the first decade after independence from Britain in 1964 has in the 1980s experienced a vicious spiral of decline which has precipitated the country's worst-ever economic crisis...

(which as a state-owned corporation has been forced to consider the political as well as economic implications of job cuts) had done little to regain its international competitiveness...

belt. Cumbersome decision-making procedures are being streamlined, with more authority devolved to operational units...

Diesel, machinery and spares shortages have led to a serious backlog of overburdened removal at Nchanga open pit mine, which provides a quarter of total copper production...

LONDON MARKETS

THE RECENT bullish tone of the sugar market was reasserted yesterday afternoon when London futures rallied from an earlier fall to move two or three dollars higher on the day...

FINANCIAL TIMES INDICES

Table showing Financial Times indices for April 9, 1986. Includes Dow Jones, FTSE 100, and other market indicators.

US MARKETS

A DOMINANT influence on the financials and the precious metals was persistent trade selling in the energy products, reports Helmsold Commodities. This prompted long liquidations and led to sharply lower values...

PLATINUM 50 Troy ounces, 5/100 ounce

Table showing Platinum prices for various months (April, May, June, etc.) with columns for Close, High, Low, and Prev.

MAIN PRICE CHANGES

Table showing price changes for various commodities like Tin, Lead, Zinc, and Nickel.

ALUMINIUM

Table showing Aluminium prices for different grades and quantities.

NEW YORK

Table showing New York market prices for various commodities.

CHICAGO

Table showing Chicago market prices for various commodities.

UN body urges move to speed food aid

MR EDOUARD SAOUMA, director-general of the Rome-based UN Food and Agriculture Organisation, yesterday put forward detailed proposals aimed at speeding up the flow of emergency relief grain to countries afflicted by drought and famine...

Australia probes bauxite pricing by Aluisse subsidiary

THE Australian Government has initiated a special investigation into the pricing practices of bauxite and alumina by the Aluisse subsidiary, Swiss Aluminium Australia (Australis), from the Gove deposit in the Northern Territory...

COPPER

Table showing Copper prices for different grades and quantities.

LEAD

Table showing Lead prices for different grades and quantities.

NICKEL

Table showing Nickel prices for different grades and quantities.

TIN

Table showing Tin prices for different grades and quantities.

Cotton stocks expected to decline in 1986-87

WORLD COTTON stocks, currently at record levels, are expected to decline next season for the first time in three years, according to a market review produced by the International Cotton Advisory Committee...

Auction plan for British hardwood

A NATIONAL auction for British hardwood timber is to be launched this year in an effort to improve marketing of wood by forest owners...

GOLD

Table showing Gold prices for different grades and quantities.

SILVER

Table showing Silver prices for different grades and quantities.

GRAINS

Table showing Grains prices for various types like Wheat, Corn, etc.

SOYABEAN MEAL

Table showing Soyabean Meal prices for different grades and quantities.

COFFEE

Table showing Coffee prices for different grades and quantities.

CRUDE OIL

Table showing Crude Oil prices for different grades and quantities.

WHEAT

Table showing Wheat prices for different grades and quantities.

POTATOES

Table showing Potato prices for different grades and quantities.

WHEAT

Table showing Wheat prices for different grades and quantities.

BARLEY

Table showing Barley prices for different grades and quantities.

WHEAT

Table showing Wheat prices for different grades and quantities.

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CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar continues to fall

Sentiment remained against the dollar on the foreign exchange market yesterday. Mr. Paul Volcker, chairman of the Federal Reserve Board, had already denied that finance ministers meeting in Washington agreed to put further downward pressure on the dollar...

£ IN NEW YORK

Table showing exchange rates for £ in New York, including columns for Close, April 9, and Prev. Close.

France, as a result of the realignment of the EMS at the weekend. Speculation continued that a co-ordinated round of interest rate cuts is under way...

FINANCIAL FUTURES

Prices stay firm

Trading in sterling-based futures retained a bullish undertone in the London International Financial Futures Exchange yesterday despite disappointing UK money supply figures...

Table of financial futures prices including Liffe Long Gilt Futures, Liffe US Treasury Bond Futures, and Liffe Eurodollar Options.

ING BANK BASE RATES

The long gilt for June delivery opened at 128.28 and after a little early profit taking, rose to a high of 129.04. Much of the improvement was based on continued strength in the US bond market...

POUND SPOT—FORWARD AGAINST POUND

Table showing pound spot and forward rates against the pound, including columns for Day's Spread, Close, and various time periods.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Table showing dollar spot and forward rates against the dollar, including columns for Day's Spread, Close, and various time periods.

CURRENCY MOVEMENTS

Table showing currency movements for various countries, including columns for Bank of England, Morgan's Index, and various currencies.

CHICAGO

Table showing Chicago market data, including US Treasury Bonds and US Treasury Bills.

LONDON

Table showing London market data, including 20-Year 2 1/2% National Gilt and 10-Year National Short Gilt.

THREE-MONTH EURO-DOLLAR

Table showing three-month Euro-dollar rates, including columns for Close, High, Low, and Prev.

EXCHANGE CROSS RATES

Table showing exchange cross rates for various currencies, including columns for Currency, Rate, and Date.

OTHER CURRENCIES

Table showing other currency rates, including columns for Currency, Rate, and Date.

STERLING INDEX

Table showing the Sterling Index, including columns for Time, Index, and Date.

EMU EUROPEAN CURRENCY UNIT RATES

Table showing EMU European Currency Unit rates, including columns for Currency, Rate, and Date.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates, including columns for Currency, Term, and Rate.

FT LONDON INTERBANK FIXING

Table showing FT London Interbank Fixing rates, including columns for Term, Rate, and Date.

LONDON MONEY RATES

Table showing London money rates, including columns for Term, Rate, and Date.

AGGREGATE BALANCES

Table showing aggregate balances, including columns for Category, Total, and Change.

MONEY MARKETS

UK rates continue to fall

Interest rates were lower in London yesterday amid growing hopes of another cut in clearing bank base rates. The Bank of England may be a little more cautious...

UK clearing banks base lending rate 11 per cent

UK clearing banks base lending rate 11 per cent since April 8. The Bank of England forecast a surplus of around £100m...

MONEY RATES

Table showing money rates for various currencies, including columns for Location, Rate, and Date.

NEW YORK RATES

Table showing New York rates, including columns for Term, Rate, and Date.

FRANKFURT RATES

Table showing Frankfurt rates, including columns for Term, Rate, and Date.

LIABILITIES OUTSTANDING

Table showing liabilities outstanding, including columns for Category, Total, and Change.

ASSETS OUTSTANDING

Table showing assets outstanding, including columns for Category, Total, and Change.

ELIGIBLE LIABILITIES OUTSTANDING

Table showing eligible liabilities outstanding, including columns for Category, Total, and Change.

TABLE 2. INDIVIDUAL GROUP BALANCES

Table showing individual group balances, including columns for Group, Total, and Change.

Advertisement for Wyatts, featuring the headline 'Dealing with a reputation for innovation in telecommunication' and an image of a person at a computer terminal.

Advertisement for Asian Development Bank, featuring the headline 'Asian Development Bank' and details about loan services.

Large advertisement for London & Scottish banks' balances, featuring the headline 'London & Scottish banks' balances' and detailed financial data.

LONDON SHARE SERVICE

BRITISH FUNDS

Table of British Funds with columns for Name, Stock, Price, Div, and Yld. Includes sections for 'Shorts' (Lives up to Five Years) and 'Five to Fifteen Years'.

AMERICANS - Cont.

Table of American Stocks with columns for Name, Stock, Price, Div, and Yld. Includes sections for 'Over Fifteen Years' and 'Undated'.

BUILDING, TIMBER, ROADS - Cont.

Table of Building, Timber, and Roads stocks with columns for Name, Stock, Price, Div, and Yld.

DRAPERY & STORES - Cont.

Table of Drapery and Stores stocks with columns for Name, Stock, Price, Div, and Yld.

ENGINEERING - Continued

Table of Engineering stocks with columns for Name, Stock, Price, Div, and Yld.

INDUSTRIALS - Continued

Table of Industrial stocks with columns for Name, Stock, Price, Div, and Yld.

Over Fifteen Years

Table of Over Fifteen Years funds with columns for Name, Stock, Price, Div, and Yld.

Undated

Table of Undated funds with columns for Name, Stock, Price, Div, and Yld.

Index-Linked

Table of Index-Linked funds with columns for Name, Stock, Price, Div, and Yld.

CANADIANS

Table of Canadian stocks with columns for Name, Stock, Price, Div, and Yld.

BANKS, HP & LEASING

Table of Banks, HP & Leasing stocks with columns for Name, Stock, Price, Div, and Yld.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics stocks with columns for Name, Stock, Price, Div, and Yld.

DRAPERY AND STORES

Table of Drapery and Stores stocks with columns for Name, Stock, Price, Div, and Yld.

ELECTRICALS

Table of Electrical stocks with columns for Name, Stock, Price, Div, and Yld.

FOOD, GROCERIES ETC

Table of Food, Groceries etc stocks with columns for Name, Stock, Price, Div, and Yld.

INT. BANK AND O'SEAS GOVT STERLING ISSUES

Table of International Bank and Overseas Government Sterling Issues with columns for Name, Stock, Price, Div, and Yld.

CORPORATION LOANS

Table of Corporation Loans with columns for Name, Stock, Price, Div, and Yld.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth and African Loans with columns for Name, Stock, Price, Div, and Yld.

LOANS

Table of Loans with columns for Name, Stock, Price, Div, and Yld.

BEERS, WINES & SPIRITS

Table of Beers, Wines & Spirits stocks with columns for Name, Stock, Price, Div, and Yld.

Public Board and Financial

Table of Public Board and Financial stocks with columns for Name, Stock, Price, Div, and Yld.

FOREIGN BONDS & RAILS

Table of Foreign Bonds and Rails with columns for Name, Stock, Price, Div, and Yld.

AMERICANS

Table of American stocks with columns for Name, Stock, Price, Div, and Yld.

BUILDING, TIMBER, ROADS

Table of Building, Timber, and Roads stocks with columns for Name, Stock, Price, Div, and Yld.

DRAPERY AND STORES

Table of Drapery and Stores stocks with columns for Name, Stock, Price, Div, and Yld.

ELECTRICALS

Table of Electrical stocks with columns for Name, Stock, Price, Div, and Yld.

FOOD, GROCERIES ETC

Table of Food, Groceries etc stocks with columns for Name, Stock, Price, Div, and Yld.

HOTELS AND CATERERS

Table of Hotels and Caterers stocks with columns for Name, Stock, Price, Div, and Yld.

INDUSTRIALS (Miscellaneous)

Table of Industrial (Miscellaneous) stocks with columns for Name, Stock, Price, Div, and Yld.

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INDUSTRIALS - Continued

Table of industrial stock prices including companies like British Petroleum, ICI, and various engineering firms.

LEISURE - Continued

Table of leisure-related stock prices including hotels, resorts, and entertainment companies.

PROPERTY - Continued

Table of property-related stock prices including real estate and construction companies.

INVESTMENT TRUSTS - Cont.

Table of investment trust stock prices across various sectors.

FINANCE, LAND - Cont.

Table of finance and land-related stock prices including banks and insurance companies.

MINES - Continued

Table of mining stock prices including diamond and platinum producers.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stock prices.

Commercial Vehicles

Table of commercial vehicle stock prices.

Garages and Distributors

Table of garage and distributor stock prices.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stock prices.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stock prices.

INSURANCES

Table of insurance stock prices.

PROPERTY

Table of property stock prices.

LEISURE

Table of leisure stock prices.

CONTAINERS

Table of container stock prices.

SHIPPING

Table of shipping stock prices.

SHOES AND LEATHER

Table of shoes and leather stock prices.

SOUTH AFRICANS

Table of South African stock prices.

TEXTILES

Table of textile stock prices.

TOBACCO

Table of tobacco stock prices.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stock prices.

FINANCE, LAND, ETC.

Table of finance, land, etc. stock prices.

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Table of plantation stock prices.

OVERSEAS TRADERS

Table of overseas trader stock prices.

DIAMOND AND PLATINUM

Table of diamond and platinum stock prices.

CENTRAL AFRICAN

Table of Central African stock prices.

FINANCE

Table of finance stock prices.

OIL AND GAS

Table of oil and gas stock prices.

AUSTRALIANS

Table of Australian stock prices.

TINS

Table of tin stock prices.

MISCELLANEOUS

Table of miscellaneous stock prices.

NOTES

Notes section containing financial news and commentary.

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Table of plantation stock prices.

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LONDON STOCK EXCHANGE

MARKET REPORT

RECENT ISSUES

Account Dealing Dates
Option
\*First Declared Last Account
Dealings Dates Day
Apr 1 Apr 14 Apr 21
Apr 14 Apr 24 Apr 25 May 6
Apr 28 May 8 May 9 May 19

Markets falter after good opening and equities close lower again

London markets continued to move in opposite directions yesterday. For the third consecutive session Government bonds rose strongly while equities experienced a fresh evaporation of confidence and closed widely lower.

Investor were encouraged also by continued stability in the exchange rate and by a fresh fall in money market interest rates. As three-month interbank reacted to 10 1/2 per cent hopes of another and larger reduction in base lending rates strengthened with optimism anticipating a one percentage point cut to 10 per cent very soon.

Profiting-taking developed and potential buyers withdrew to await better opportunities. The gains among longer-dated Gilts were gradually eroded and in the after-hours trade completely erased. Investors retained a firm late trend. Renewed hedging business, which was concentrated mainly on the longest maturity 2020, took the market down although most closed below the best levels.

Leading equities began in good style with sentiment assisted by the latest upsurge on Wall Street. The institutions would not be tempted, however, and with little evidence of private client demand blue chip issues retreated from the higher opening marks. A nervous atmosphere began to develop with traders recounting the cost of unsuccessful market excursions over the two previous days. Financial considerations connected with end-year book squaring - at least three jobbing firms complete their current year tomorrow - contributed to the uncertainty.

Mercury Securities, in which Mr Saul Steinberg of the US holds a sizeable stake, jumped 4 1/2

to a new peak of 988p on buying ahead of the merger this week-end and with stockjobbing concern Akroyd and Smithers and stock-brokers Rowe and Pitman and Mullens under the new title of Investors International. Akroyd rose 25 to 805p in sympathy. Elsewhere, Standard Chartered reached a new peak of 895p following the Board's unanimous rejection of Lloyds' bid approach, but later succumbed to light profit-taking and closed 9 easier on balance at 873p. Lloyds finished 7 off at 888p. Among Hire Purchases, Provident Financial put on 8 at 456p.

Insurances plotted an irregular course. Pearl reflected the slightly better than expected annual result with an improvement of 1/4 at 1141, while Lloyds broker Stewart Wrightson firmed 4 to 422p, also following a recovery in the market. The absence of takeover developments prompted further profit-taking in Vaux, finally 10 cheaper at 480p.

The firm at the outset, leading Building stock succumbed to small selling and settled lower on balance. Blue Circle, up to 676p initially, ran back to close a net 1/2 off at 685p, while B2B Industries settled 5 cheaper at 479p, after 478p. Tarmac were finally 6 easier at 480p - a two-day fall of 22, but Redland, after dipping to 450p, picked up after hours to close only a penny cheaper on balance at 459p. Barratt Development shed 4 to 142p and George Wimpey slipped 1/2 to 665p, while B2B fell 1/2 to 162p, but Wilson (Connolly), still reflecting the good annual results, rose 12 more to 417p. Federated Housing continued to respond to the chairman's confident statement at the annual meeting and added 4 to 104p, while Galliford found support at 88p, up 5. Eirich firmed 3 to 89p following the better-than-expected annual results, but John Laing slipped 4 to 385p awaiting today's preliminary figures. Magnet and Southern put on 8 at 182p, after 181p. Takeover rumours revived, while Manders improved 4 to 224p. Belical Bar attracted fresh demand in a restricted market and touched 185p prior to closing 6 1/2 off at 181p. HBI Nominees, acting for Hong Kong Bank, has reduced its stake in the company to 2.3 per cent.

ICI drifted back to 911p in the afternoon trading before picking up to close only 5 cheaper on balance at 916p. RFD Group jumped 84 to 174p following the bid from Wards, Stays and subsequent statement from RFD that it had received other informal approaches; Wards Stores closed 18 higher at 309p, after 310p.

FINANCIAL TIMES STOCK INDICES

Table with columns: Index, April 9, April 8, April 7, April 6, April 5, April 4, April 3, April 2, April 1, Year Ago. Rows include Government Secs, Fixed Interest, Ord. Div. Yield, Earnings, P.E. Ratio, Total Returns, etc.

HIGHS AND LOWS

Table with columns: Index, High, Low, Since Comp. High, Low, Daily High, Daily Low, Value. Rows include Govt. Secs, Fixed Int., Ordinary, Gold Mines.

S.E. ACTIVITY

Table with columns: Index, High, Low, Daily High, Daily Low, Value. Rows include Govt. Secs, Fixed Int., Ordinary, Gold Mines.

speculation. Bechem were actively traded and touched 41 1/2 before settling a couple of pence cheaper on the day at 40 1/2. Gazco continued to drift lower awaiting next Tuesday's interim figures and gave up 1/4 more to 96p, while Boots fell 5 to 296p in sympathy with a setback in the Store sector. Elsewhere in miscellaneous remains and fell to 294p before closing 13 down on balance at 305p.

Continous Stationary continued to benefit from the major change in the company's shareholding structure and put on 11 further at 54p. Turner and Newall advanced strongly to 235p before settling 18 higher at 233p following the proposed £46m rights issue and accompanying encouraging statement on prospects. Speculative activity left English British Synth 8 lower at 128p, F. H. Tomkins dropped to 250 on the news of an imminent announcement regarding an acquisition, but rallied to 260p, ending better on the day at 271p. Profit-taking clipped 15 from Peatland, at 525p and 20 from Bestobell, at 390p, while British Aerospace gave up 15 to 95p. Helma firmed closed at 261p; the price given in yesterday's issue was incorrect. Late demand prompted a rise of 12 to 190p in Briddard City.

Boosey and Hawkes, soared 40 to 185p on speculative demand fuelled by strong takeover rumours. The favourable Press afforded to the annual figures stimulated revived demand for Kwik-Fit which touched a 1986 high of 109p before settling 7 up on balance at 107p. Charlie Browns Car Part Centres improved 8 to 245p, but was subdued but diamond producer Ashton Mining featured with an improvement of 7 to 78p following the diamond price increase announced by De Beers CRA, which holds a substantial stake in the Argyle diamond project, rose 8 to 338p.

added a penny to 48p. Property sale news gave a fresh boost to Mountleigh, up 10 at 820p, while Tritel, expected to lower levels with Courtauld 9 cheaper at 287p. S. Jerome provided an exception, however, rising 7 to 80p following the increased preliminary profits and proposed 1-for-6 scrip issue.

Business in the oil sector was much reduced. The leaders drifted back on lack of interest and small selling before steady after-hours to close with minor changes on balance. Crude oil prices were little changed on the day with the strike at Norway's oil fields in the North Sea being offset by talk of increased production by Nigeria. BP dipped to 580p but rallied to end the session unchanged on balance at 565p while Shell were 4 cheaper at 753p. The earlier trend in sterling boosted Royal Dutch to 210p, and Petrobras 22 to 210p. Hunting Petroleum featured second-liners and jumped 10 to 110p following increased preliminary profits and dividend.

Lombard reacted to profit-taking in the wake of Tuesday's annual meeting and closed 7 lower at 266p. Inchepe, 373p, and Tuzep, 250p, Millbourne, and 130p, ended 5 a piece.

UK-domiciled mining financials came under further pressure after a steady opening and Rio Tinto declined to announce interim profits today, fell sharply to close 17 off at 723p - a three-day decline of 57. Dealers cited the absence of any hard news on recent rumours that a stake in excess of 5 per cent had been built up by either the Homes & Court stable or BEIP as the major factor in the continuing decline in RTZ but also reported nervous selling in front of the figures. Consolidated Gold Fields fell away to 462p, depressed by the general retreat by domestic equities, but picked up on good buying interest to end the day only a shade easier on balance at 475p.

Australians made modest progress overnight in Sydney and Melbourne but again played second fiddle to industrial and banking issues. Business in the UK was dominated by diamond producer Ashton Mining featured with an improvement of 7 to 78p following the diamond price increase announced by De Beers CRA, which holds a substantial stake in the Argyle diamond project, rose 8 to 338p.

Table of RECENT ISSUES with columns: Issue, Price, etc.

Table of FIXED INTEREST STOCKS with columns: Issue, Price, etc.

Table of RIGHTS OFFERS with columns: Issue, Price, etc.

Table of TRADITIONAL OPTIONS with columns: Option, Price, etc.

Table of NEW HIGHS AND LOWS FOR 1986 with columns: Index, High, Low, etc.

Table of RISES AND FALLS YESTERDAY with columns: Index, Rise, Fall, etc.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table of EQUITY GROUPS & SUB-SECTIONS with columns: Index, Day's Change, etc.

FIXED INTEREST

Table of AVERAGE GROSS REDEMPTION YIELDS with columns: Index, Day's Change, etc.

TUESDAY'S ACTIVE STOCKS

Table of TUESDAY'S ACTIVE STOCKS with columns: Stock, Price, etc.

YESTERDAY'S ACTIVE STOCKS

Table of YESTERDAY'S ACTIVE STOCKS with columns: Stock, Price, etc.

EUROPEAN OPTIONS EXCHANGE

Table of EUROPEAN OPTIONS EXCHANGE with columns: Series, Vol., Last, etc.

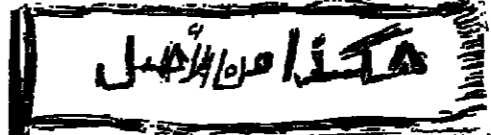
LONDON TRADED OPTIONS

Table of LONDON TRADED OPTIONS with columns: Option, Price, etc.

Financial Times, London EC4P 4BY, price 15p, by post 20p.

WORLD STOCK MARKETS

Table of world stock markets including Austria, Germany, Norway, Australia, Japan, and others. Columns include country, date, price, and change.



Indices

Table of stock indices for various countries like Australia, Belgium, Denmark, France, Germany, Hong Kong, Italy, Japan, Netherlands, Norway, Singapore, South Africa, Sweden, Switzerland, and the UK. Includes NYSE Dow Jones and NYSE Consolidated 1500 Actives.

OVER-THE-COUNTER

Table of over-the-counter market data with columns for stock name, price, and change.

Table of London stock market data including chief price changes, rises, and falls.

Advertisement for 'Get your News early in Stuttgart' with contact information for the Financial Times.

Large advertisement for 'INFLIGHT INFORMATION' featuring a background image of an airplane and text about business travel services.

Prices at 2pm, April 9

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Main table of stock prices with columns for 12 Month High/Low, Stock, Div, Yld, P/E, 52 Week High/Low, and Date. Includes sub-sections for 'D D D' and 'WE REGRET that this listing is incomplete due to computer problems'.

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NYSE COMPOSITE PRICES

Table of NYSE Composite Prices with columns for 12 Month High/Low, Stock, Div, Yld, P/E, 100s High/Low, and Change. Includes sub-sections for 'Continued from Page 40' and 'AMSTERDAM/DELFT/EINDHOVEN'.

AMEX COMPOSITE PRICES

Prices at 2pm, April 9

Table of AMEX Composite Prices with columns for Stock, Div, Yld, P/E, 100s High/Low, and Change. Includes sub-sections for 'Over-the-Counter' and 'NASDAQ National Market'.

OVER-THE-COUNTER

Nasdaq national market, 2pm prices

Table of Over-the-Counter prices with columns for Stock, Sales, High, Low, Last, and Change. Includes sub-sections for 'NASDAQ National Market' and 'Over-the-Counter'.

AMSTERDAM/DELFT/EINDHOVEN GRONINGEN/DE HAGUE/HAARLEM/HEEMSTED/ LEIDEN/LEIDORP/OEGSTGEEST/ THE NETHERLANDS. Includes contact information for Richard Willis.

Continued on Page 39

